

# Strategic Development Plan Lake Simcoe Regional Airport

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FINAL REPORT



PRYDE SCHROPP McCOMB  
A DIVISION OF GENIVAR

## **Executive Summary**

### **BACKGROUND**

Lake Simcoe Regional Airport (LSRA) is located in the Township of Oro-Medonte, County of Simcoe, approximately 10 km northeast of the City of Barrie and 15 km southwest of the City of Orillia. The Airport is jointly owned by the City of Barrie (80%) and the Township of Oro-Medonte (20%), and is managed by a Municipal Service Corporation responsible for the Airport's operation and maintenance.

Given recent infrastructure improvements, along with changes in the regional aviation market (i.e. the pending closure of Buttonville Airport), the Airport's senior management identified the need for a strategic plan to provide direction regarding the future of the Airport and to guide the Airport's management in realizing its operational and business objectives.

The focus of the Strategic Plan includes the following elements:

- A review of the Airport's role(s).
- Aviation activity forecasts.
- A land tenure and commercial development strategy that will optimize commercial development at the Airport and review land valuation and lease rates.
- An assessment of potential demand for scheduled air services and identification of potential routes and target airlines.
- An Airport Land Use Plan that will guide development and assist the Airport in achieving its objectives.

### **AIRPORT ROLE**

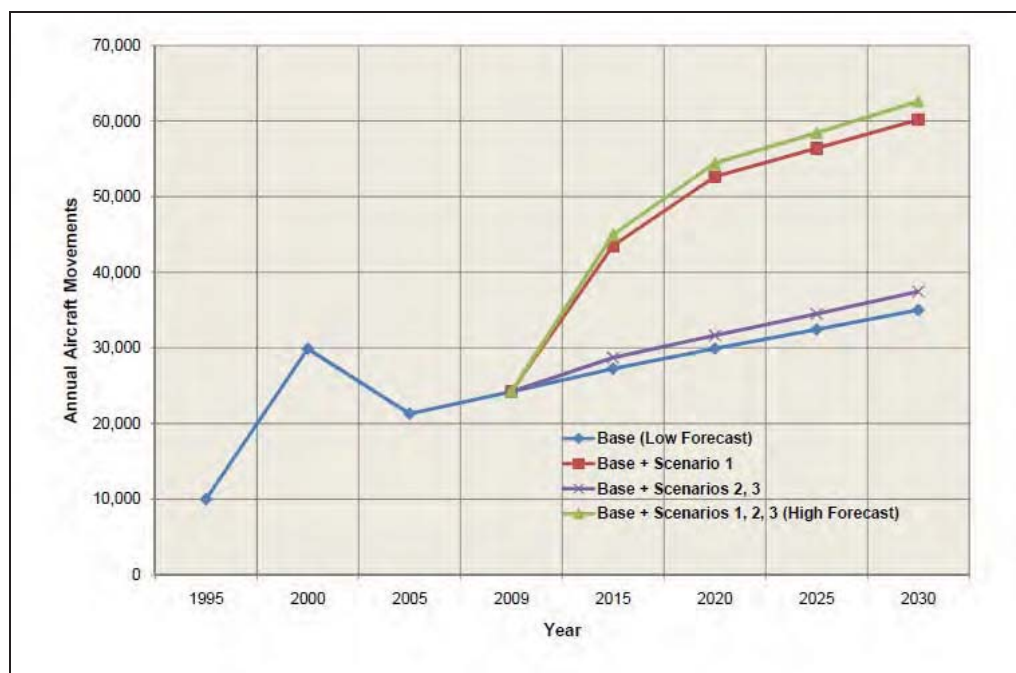
To date, LSRA has served as a general aviation airport providing services to a wide spectrum of users including corporate/business aviation, air charter services, rotary wing operators and recreational pilots. The Airport is also occasionally used by the Canadian Armed Forces, to support activities at nearby CFB Borden, and by various government agencies.

***Moving forward, it is recommended that Lake Simcoe Regional Airport continue in its primary role as a general aviation airport supporting the surrounding communities and businesses. And with the recent infrastructure improvements completed in 2011, the Airport has the flexibility and capability to expand upon and diversify this role as other air service demands and business opportunities present themselves including cargo, air passenger and aviation support services.***

## AVIATION ACTIVITY FORECASTS

The following figure provides a summary of aviation activity forecasts which have been prepared based on various growth scenarios. These include:

- **Base** - a baseline forecast, under the assumption that no major changes will be made to the current traffic mix, and that natural growth will take place taking into account regional economic growth projections, Transport Canada forecasts for general aviation, and historic activity at LSRA.
- **Scenario 1** - the baseline forecast, plus an expansion of flight training activity under the assumption that Buttonville closes in approximately 2015, and at least one major flight school relocates to LSRA.
- **Scenario 2** - the baseline forecast plus the initiation of scheduled passenger services to some combination of Ottawa, Montreal and out west, possibly Thunder Bay, with 9-19 seat aircraft, and
- **Scenario 3** - the baseline forecast plus an allowance for the accelerated development of business and corporate aviation activity.



The total aircraft movements for the Lake Simcoe Regional Airport could potentially exceed 60,000 movements in the next 20 years through a combination of attracting flight training activity from Buttonville Airport, introducing some limited scheduled air service and slowly building the corporate aviation market.

The projected increases in activity from itinerant movements (Base + Scenarios 2, 3) would increase the overall movements by approximately 5%, whereas, the greatest potential increase in activity would be from local movements (Base + Scenario 1) which could increase the overall movements by over 70%.

### **COMMERCIAL DEVELOPMENT STRATEGY**

The LSRA has approximately 58 ha (142 acres) available for new development and it is essential that there is a clear Airport Land Use Plan and set of land development principles to guide commercial activities at LSRA. The increased awareness of the Airport through the Province's Economic Employment District designation in 2010 combines with the significant capital investment and recent infrastructure development as a timely stage to establish a clear approach and policy for land development at the Airport. The framework for airport land development begins with the decision on whether the Airport strictly leases its land or considers land sales, and under what conditions.

The industry norm is for airports to lease land and not to sell unless it is surplus to the airport's immediate and long term requirements. This surplus land can be sold for the benefit of generating cash to reinvest in the airport (or put into a reserve fund) and to remove the land from its inventory and reduce its tax (or grant in lieu of tax) exposure and cost.

### **Sale of Airport Lands**

The selling of land is referred to as a 'Fee Simple' transaction and it transfers permanent title to the buyer. The LSRA has sold interest in its property for development in the past and the template sale agreement has been reviewed by the consultants. The agreement looks to be a thorough document and provides a mechanism to support development at the Airport.

The previous sale of airport lands was not premised on specific guidelines but rather implemented based on past practice and in an effort to attract development to the Airport. Recent complications that have arisen with some of the land owners has given pause to the practice necessitating a more thorough review of the benefits and disbenefits.

With respect to Lake Simcoe Regional Airport there are both benefits and drawbacks associated with the sale of airport lands. These are summarized in the following table.

## STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN

LAKE SIMCOE REGIONAL AIRPORT

Pro's and Con's of Selling Airport Land	
Pro's of Selling Airport Land	Con's of Selling Airport Land
It generates greater cash up front for the airport	The airport loses title to the land and can lose some control over its environment and protection of its investment in the longer term
It can support airport development in underdeveloped areas of the airport	The revenue potential is mostly up front and then it is reduced compared to the leasing of land
It can be of assistance in financing significant private investments and developments at the airport through title transfer (and land transfer in perpetuity)	The land owner has rights of quiet enjoyment and can create a disruptive environment for the airport while still meeting the terms of sale
It can secure a long term commitment from a desirable partner/investor	The land owner may dispute fees associated with the airport and it may create a challenging environment to isolate or remove access for the owner to the airport once the land is sold
It can reduce the airport's footprint and reduce its tax or grant in lieu of taxes	The land owner may not maintain the property to a degree that is satisfactory to the airport and there is limited ability to enforce on the land owner's property
The airport can minimize its exposure to environmental concerns and liability	Despite purpose intent, the land use could change to be somewhat compatible (i.e. airside commercial to groundside commercial) but affect the access and utilization of the airfield and its significant investment
	The land owner has the right to re-sell and can benefit from the expansion and development of the airport while not participating in its continuing investment or development

### Lease of Airport Lands

Land leases transfer control - not ownership - of a property and for landowners, are considered one of the most secure forms of real estate investment. Generally the land lease will have 20 to 40 year terms to provide the timeframe to properly amortize the investment and provide it with a correlated 'useful life' of the asset. Prior to the end of the Lease there may or may not be the opportunity to re-lease the land and/or the improvement. The developer/lessee is responsible for the operating costs associated with the leased property (i.e. parking lot and landscaping/grass cutting) and may contribute to other common use costs (airport maintenance costs or AMC) associated with the airport.

## STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN

### LAKE SIMCOE REGIONAL AIRPORT

With respect to Lake Simcoe Regional Airport there are both benefits and drawbacks associated with the leasing of airport lands. These are summarized in the following table.

<b>Pro's and Con's of Leasing Airport Lands</b>	
<b>Pro's of Leasing land for Airport</b>	<b>Con's of Leasing Airport lands</b>
Lower entry price for the developer/tenant than Fee Simple property	The Lessee improvements revert to the Land owner at end of the Lease and this can cause conflict with Lessees/tenants
Lease payment may be tax deductible where Fee Simple land cannot be depreciated or written off against income	
The airport can generate a good rental income with annual increases that match inflation and cost indexes	There may be some environmental exposure to the land use (although this is passed along to the tenant in the Lease, there is always some residual responsibility of the land owner)
The airport can recover common use charges and taxes on the property with no concerns about payment (terms for disputes and non-payment are clearly spelled out)	
A tenant that has not maintained the property or breaches the conditions of the agreement can be dealt with and can lead to termination of the lease and forfeiture of the improvements	
The airport maintains complete development control over the land and its improvements	
The airport can coordinate the long term development of the airport through its leasing environment while protecting its assets	
The airport can have improvements removed or transferred to the airport in title through vesting	

The following table provides an illustration of the revenue stream related to the sale versus lease of airport lands. The example utilizes the northeast lands and a prospective large lot of 13 acres or 52,598 m<sup>2</sup> (565,954 ft<sup>2</sup>). The development is a large warehousing distribution centre that requires airside access.

**STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN**

LAKE SIMCOE REGIONAL AIRPORT

<b>Sale Versus Lease of Airport Lands</b>	
<b>Lot A – Leasing Example</b>	<b>Lot A – Sales Example</b>
Land rent (unserviced rate): \$0.138/ft <sup>2</sup>	Sale of land: \$50,000 per acre x 13 acres = \$650,000 up front cash
AMC: \$0.10/ft <sup>2</sup>	AMC: \$0.10/ft. <sup>2</sup> Through the Fence: \$0.05/ft. <sup>2</sup>
Annual rent: 566,318 x \$0.238/ft <sup>2</sup> = \$134,783	Annual Charges: 566,318 x \$0.15/ft <sup>2</sup> = \$849,477
25 year lease: \$ 3,369,592 <i>without CPI adjustments or AMC adjustments</i>	25 year term: \$2,123,693 plus \$650,000
Development Levy: \$5.16/ft. <sup>2</sup> assumes 1/3 lot coverage (one time fee) = \$973,093	Development Levy: \$5.16/ft. <sup>2</sup> assumes 1/3 lot coverage (one time fee) = \$973,093
<b>TOTAL = \$4,342,685</b>	<b>TOTAL = \$3,746,785</b>
Airside construction to provide taxiway access to airside although it is the tenant's responsibility to connect into the airside taxiway	The airport may be able to get a cash contribution for any taxiway improvements or extensions that are required for access

**It is recommended that as a general rule, the Airport should not sell land in the commercial development areas. The exception to this is those lands which are situated in the northeast area, located east of Taxiway Bravo and adjacent to Line 7 N.**

**Establishing Land Rental Rates**

Most rental rates are established by using local market rates that reflect the supply of and demand for rental land in a local area. The general approach used to determine an appropriate rental rate is to gain information on a lease transaction in the region. This can be difficult with few transactions for comparison so a market capitalization rate is often used. Where sufficiently detailed information is not available, the capitalization rate will be useful in calculating out a rent. It should be noted that competitive airport rates from larger (and high land value) airports can provide a cost advantage for an operator in targeting a prospective tenant.

Capitalization rates, or cap rates, provide a tool for investors to use for roughly valuing a property based on its Net Operating Income. Reciprocally, when there is an indication of the value of property, it can use a cap rate to determine the appropriate rent to charge an occupant. The variables are the land value, the cap rate and the rental rate.



## STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN

### LAKE SIMCOE REGIONAL AIRPORT

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A comparatively lower cap rate for a property would indicate less risk associated with the investment (increasing demand for the product), and a comparatively higher cap rate for a property might indicate more risk (reduced demand for the product). Some factors considered in assessing risk include creditworthiness of a tenant, term of lease, quality and location of property and general volatility of the market.

**It is recommended that the established land lease rates for Lake Simcoe Regional Airport be 'sustainable' in that they should represent the true market value of the land.**

It is recommended that a land valuation of \$50,000/acre be used as the basis for determining unserviced land lease rates at the Airport. This translates into a sustainable land lease rate of \$0.138/ft<sup>2</sup> which would be applied to the entire lot area.

It is recommended that a land valuation of \$168,750/acre be used as the basis for determining serviced land lease rates at the Airport. This translates into a sustainable land lease rate of \$0.31/ft<sup>2</sup> which would be applied to the entire lot area.

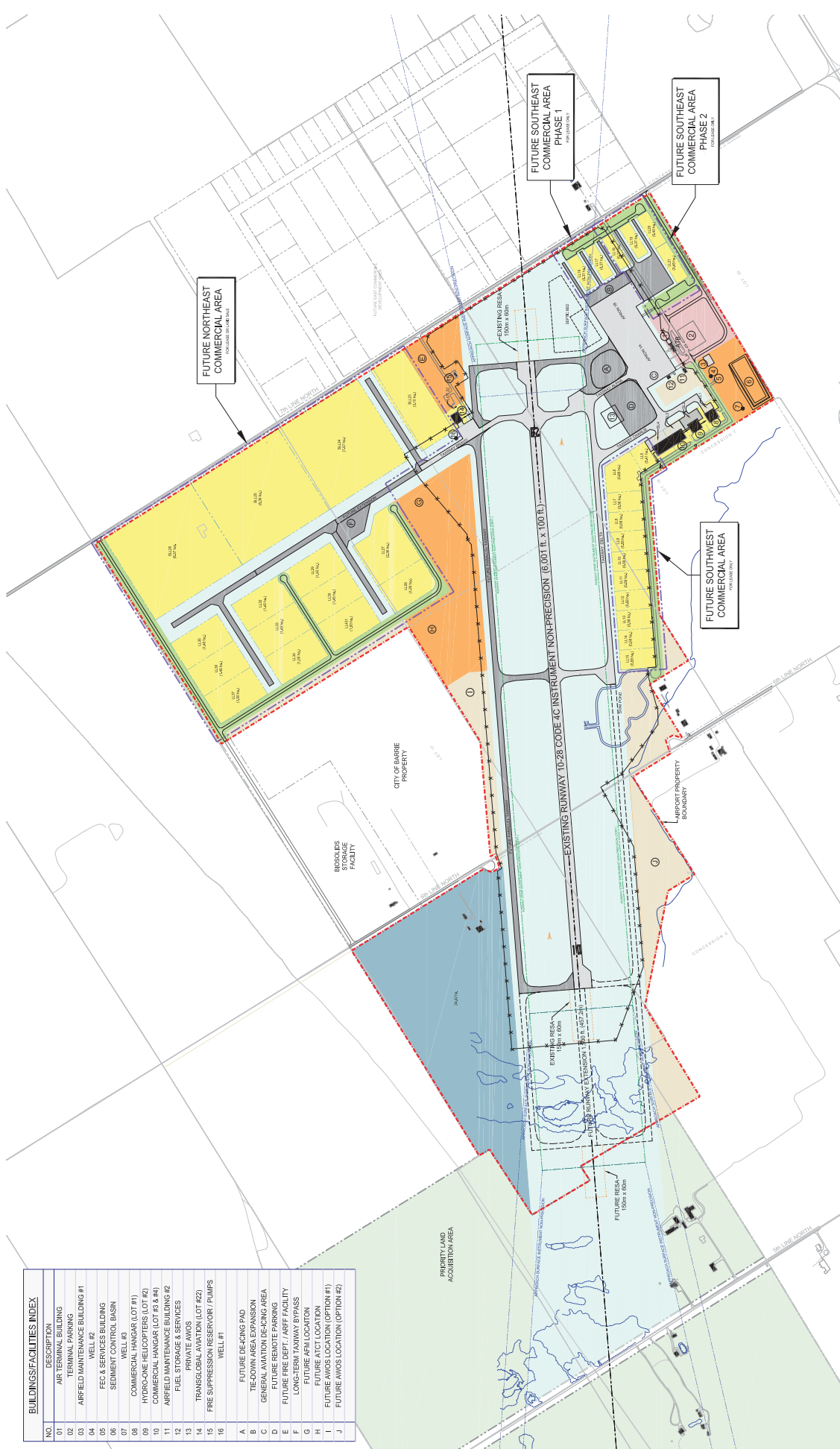
### AIRPORT LAND USE PLAN

In developing an Airport Land Use Plan for Lake Simcoe Regional Airport, a number of objectives derived from the commercial development and air service components of the Strategic Plan were taken into consideration. These include:

- Protect for the safe and efficient operation of aircraft;
- Protect for potential expansion of the runway;
- Optimize the use of airport lands;
- Optimize opportunities for the phased development of commercial lands;
- Provide for varying scales and types of commercial development;
- Provide for the potential expansion of airport terminal facilities to accommodate opportunities for scheduled air service.

The recommended Airport Land Use Plan is provided in the following figure.





### BUILDINGS/FACILITIES INDEX

NO.	DESCRIPTION
01	AIR TERMINAL BUILDING
02	TERMINAL PARKING
03	AIRFIELD MAINTENANCE BUILDING #1
04	WELL #2
05	FEC & SERVICES BUILDING
06	SEMENT CONTROL BASIN
07	COMMERCIAL HANGAR (LOT #1)
08	HYDROCONE HELICOPTERS (LOT #2)
09	COMMERCIAL HANGAR (LOT #3 & #4)
10	AIRFIELD MAINTENANCE BUILDING #2
11	FUEL STORAGE & SERVICES
12	PRIVATE AMWS
13	TRANSGLOBAL AVIATION (LOT #22)
14	FIRE SUPPRESSION RESERVOIR / PUMPS
15	WELL #1
A	UTURE DECKING PAD
B	TIEDOWN AREA EXPANSION
C	GENERAL AVIATION DECKING AREA
D	FUTURE RENOVATED PARKING
E	FUTURE FIRE DEPT. / ARFF FACILITY
F	LONG-TERM TANKWAY BYPASS
G	UTURE AFM LOCATION
H	FUTURE ATOT LOCATION
I	FUTURE AMWS LOCATION (OPTION #1)
J	FUTURE AMWS LOCATION (OPTION #2)

Client  
**LAKE SIMCOE REGIONAL AIRPORT  
STRATEGIC DEVELOPMENT PLAN**

On Station: ON

Project No.: 22065

Figure 16  
**LAKE SIMCOE REGIONAL AIRPORT  
LAND USE PLAN**

Designed by: J.H.     Drawn by: J.H.     Scale: 1:5000 (AS SHOWN)  
 Checked by: J.H.     Reviewed by: J.H.     Date: 1/23/2021

#### GENERAL LEGEND

**EXISTING AIRSIDE PAVEMENT**

**EXISTING STRUCTURE / BUILDING**

**FUTURE AIRSIDE PAVEMENTS**

**FUTURE STRUCTURE / BUILDING**

**FUTURE ROAD**

**FUTURE RUNWAY END PAVEMENTS**

**FUTURE RUNWAY ENDS SAFETY AREA**

**RUNWAY APPROACH SURFACE**

**RUNWAY STRIP**

**ELECTRONIC PROTECTION AREA**

**EXISTING AIRSIDE PAVEMENT**

**AIRPORT RESERVE**

**AIRSIDE RESERVE**

**LANDSIDE COMMERCIAL**

**AIRPORT SUPPORT**

**TRANSPORTATION RESERVE**

**TERMINAL RESERVE**

**PRIORITY LAND ACQUISITION**

**SCALE 1:5000**

0 25 50 75 100 125 150 200 METRES  
 0 25 50 75 100 200 FEET

**EXISTING AIRPORT BOUNDARY**

**EXTENDED RUNWAY CENTRELINE**

**EXISTING ROAD**

**EXISTING LEGAL BOUNDARY**

**AIRPORT LANDS FOR DEVELOPMENT**

**NON-AIRPORT LANDS**

**DEVELOPMENT LOT BOUNDARY**

**THE CITY OF BARRIE**  
 WATER  
 AIRPORT  
 THE CITY OF BARRIE  
 CITY ENGINEER

Revision	Drawn by	Checked by	Date
1	J.H.	J.H.	MARCH 2021
2	J.H.	J.H.	MARCH 2021
3	J.H.	J.H.	MARCH 2021
4	J.H.	J.H.	MARCH 2021
5	J.H.	J.H.	MARCH 2021
6	J.H.	J.H.	MARCH 2021
7	J.H.	J.H.	MARCH 2021
8	J.H.	J.H.	MARCH 2021

**NOTES**

1. FOR PERFORMANCE ONLY. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITION OF THE CANADIAN NATIONAL BUILDING CODE (CNBC) AND ALL APPLICABLE LOCAL ORDINANCES AND REGULATIONS.

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### Development Recommendations

- The **Southwest Commercial Area** should continue to be developed for corporate general aviation needs. Development in this area would cater to corporate/business aviation operators, rotary wing operators, aircraft servicing and maintenance operations, flight schools, executive air charter services, aircraft sales. It is likely this commercial area will satisfy general aviation commercial demands for the next 10+ years.
- A **Southeast Commercial Area** should be developed in the short term (0-5 years) which would cater to private aircraft owners/operators. Development in this area would include expanded paved tie-down areas and prestige private hangar development. Short term demand for these types of facilities may come with the closure of Buttonville Airport and Springwater Barrie Airpark. Currently, there are approximately 130 private aircraft based at Buttonville Airport that will have to be relocated within the next 5 years.

The first phase of development could be constructed north of the existing airport access road with minimal servicing requirements. The second phase of development would require the relocation of the main airport access road to the south property boundary.

- A **Northeast Commercial Area** should be developed in the long term which would cater to operators/businesses requiring large lot sizes. The east side of Taxiway Bravo would be developed for large lot development (5 ha) that would cater to businesses such as MRO facilities, airline maintenance facilities, and air cargo/courier operations. The west side of Taxiway Bravo should be developed for general aviation operators, especially those operating Code C aircraft. Development of the Northeast Commercial Area would likely occur in the long to very long term (20+ years).

### CAPITAL COST ESTIMATE

The Airport has recently undertaken a major rehabilitation. Therefore, the need for further rehabilitation within the next twenty years is not foreseen. Approximately \$1 million is required in the short term to accommodate the potential demand for additional tie-down areas and T hangar development. Beyond that, a capital plan of approximately \$20 - \$25 million would be required to maximize commercial development on the Airport and enhance airside operations.

Given the magnitude of such expenditures, future development needs to be phased and based on actual demand requirements rather than arbitrary milestones. The Airport needs to establish a long term capital fund and adjust revenue sources to support this fund. As a principle, the Airport should operate on the basis of financial self sustainability. Given that much of the long term enhancements are not revenue generating, this principle likely

## STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN

LAKE SIMCOE REGIONAL AIRPORT

cannot be achieved. Hence a focus of the Airport should be on the ability to acquire funding for future capital improvements from government sources.

The capital cost estimate associated with infrastructure improvements identified in the Airport Land Use Plan is provided on the following table.

<b>Preliminary Capital Improvement Cost Estimate</b>	
<b>Capital Improvements / Expansion</b>	<b>Cost*</b>
<b>Short Term (0-5 years)</b>	<b>\$978,166</b>
GA Apron Expansion (Phase I)	
Southeast Commercial Development (Phase I)	
De-icing Containment and Collection	
<b>Medium Term (5-10 years)</b>	<b>\$2,015,628</b>
GA Apron Expansion Phase II	
Southeast Commercial Area (Phase II)	
Terminal Access Road Realignment (Phase I)	
Dedicated De-icing Pad and Taxiway D Extension to Runway 28 Threshold	
<b>Long Term (10-20 years)</b>	<b>\$3,367,821</b>
Taxiway Bravo Extension**	
Terminal Apron Expansion	
Terminal Access Road (Phase II)	
GA Apron Expansion (Phase II)	
<b>Very Long Term (20+ years)</b>	<b>\$13,535,889</b>
Northeast Commercial Area (West of Taxiway Bravo)	
Stub Taxiway Development (West of Taxiway Bravo)	
Runway 10-28 Extension	
Future Parallel Taxiway North of Runway	
Taxiway Delta Extension to Runway 10 Threshold	
Apron Fillet Improvements	
Taxiway Bravo/Threshold 28 Connecting Taxiway	
<b>Total Preliminary Cost Estimate</b>	<b>\$19,897,504</b>
<p>* Includes engineering and project management fees, geotechnical fees and contingency</p> <p>** Assumes Airport pays for full development costs.</p> <p>Costs exclude rehabilitation of existing pavements.</p> <p>The estimate of construction costs is provided for preliminary budgetary purposes only. This is not to be interpreted as a guarantee by Pryde Schropp McComb a Division of GENIVAR.</p> <p>Prices do not include HST.</p>	

#### **AIR SERVICE ASSESSMENT**

In order to determine the potential demand for air service travel from the LSRA catchment area a travel demand study was undertaken by the consultants. Using Origin & Destination (O&D) information obtained from Sabre Inc. using their Global Distribution System<sup>1</sup> (GDS) data, the consultants were able to approximate the travel demand from postal code areas identified as a potential air service catchment area for LSRA. From the analysis it was estimated that the LSRA generates approximately 144,000 air trips annually.

The vast majority of these trips depart from Toronto-Pearson International Airport. The most popular business destinations by rank include Montreal and Ottawa followed by US cities including New York, Chicago and Boston.

A probable scenario for the initiation of air services is that LSRA would become an intermediate stop on a flight which originates in a community west of Barrie and terminates in Ottawa or Montreal. An example of such a service is the current Bearskin Airlines flight from Thunder Bay to Ottawa with intermediate stops in Sault Ste. Marie and Sudbury. Given the current terminal facilities, the provision of proper CATSA security screening of passengers and bags would not be possible. Therefore flights would have to operate in a non-secure manner. A potential constraint in initiating air service as LSRA is that neither Ottawa nor Montreal has the capability of accommodating non-secure flights. Therefore, the provision of CATSA passenger and baggage screening may be a prerequisite to having scheduled passenger services.

#### **PRO FORMA FINANCIAL ANALYSIS**

In order to review the long-term financial performance of the Airport in light of the commercial development and air service opportunities described in previous sections a high level pro forma financial analysis was undertaken. The pro forma analysis examined two scenarios.

##### **Scenario 1 - Base Activity Forecast**

This scenario assumes that the level of aviation activity will increase at historic growth rates and that there is no scheduled air service for LSRA in the foreseeable future.

##### **Scenario 2 – High Activity Forecast**

This scenario assumes that aviation activity will grow based on the high activity forecast as identified in Section 3, Table 8. The scenario also assumes that limited scheduled air service would be initiated in 2008.

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<sup>1</sup> A Global Distribution system is a worldwide computerized reservation network used as a single point of access for reserving airline seats, hotel rooms, rental cars, and other travel related items by travel agents, online reservation sites, and large corporations. The premier GDS are Amadeus, Galileo, Sabre, and Worldspan

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It should be noted that the scenarios were developed to compare commercial develop and aviation activity scenarios in relative terms, and should not be construed as a complete detailed financial analysis. The pro forma have not been reviewed or audited by accounting professionals.

#### Scenario 1 Pro Forma (Base Activity Forecast)

A summary of the Scenario 1 Pro Forma is provided in the following figure. At the end of the 20 year study horizon it is anticipated there would be a net loss of approximately \$4.9 million in 2011 dollars. Revenues from land leases and other operating revenues would not cover both operating expenses and the anticipated capital improvement costs.

LAND LEASE AND SALES	Square Metres
Total Land Leased	298,000
Total Land Sold	-
Total Land Either Leased or Sold	298,000
REVENUES	Dollars
<b>LEASING</b>	
Lease Revenue	\$6,100,599
Airport Maintenance Fees (AMC)- Leased Land	\$3,336,166
Airport Development Levy (One time charge)	\$3,207,645
<b>Total Revenues from Leasing</b>	<b>\$12,644,411</b>
<b>SALES</b>	
Land Sale Revenue	\$0
Airport Maintenance Fees (AMC) - Sold Land	\$0
Through the Fence Fee	\$0
<b>Total Revenue from Selling</b>	<b>\$0</b>
<b>Operating Revenues</b>	<b>\$8,179,936</b>
<b>Other Operating Revenues</b>	<b>\$1,370,434</b>
<b>TOTAL REVENUES</b>	<b>\$22,194,780</b>
COSTS	Dollars
<b>Operating Expenses</b>	<b>\$18,380,960</b>
<b>NET PROFIT (LOSS): BEFORE CAPITAL AND FINANCING COSTS</b>	<b>\$3,813,820</b>
New Infrastructure Development - Capital Costs	\$6,371,115
Interest on Debt	\$2,347,606
<b>NET PROFIT (LOSS): INCLUDING CAPITAL AND FINANCING COSTS</b>	<b>(\$4,904,902)</b>
<b>NET PRESENT VALUE (LOSS) OF AIRPORT OPERATIONS AND CAPITAL INVESTMENTS</b>	<b>(\$3,402,961)</b>
Rate Used to Calculate Interest Costs and Net Present Value	6.0%

#### Scenario 2 Pro Forma (High Activity Forecast)

A summary of the Scenario 2 Pro Forma is provided in the following figure. At the end of the 20 year study horizon it is anticipated there would be a net profit of approximately \$3.3 million in 2011 dollars. This profit would be realized through increased operating revenues (the result of increased aviation activity) and from revenues derived from the presence of

## STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN

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scheduled air service. These revenues would include Airport Improvement Fees (AIF), charged to passengers through the ticket cost, and from various fees charged directly to the air carrier, which include terminal charges and the lease of ticket counter space.

<b>LAND LEASE AND SALES</b>	<b>Square Metres</b>
Total Land Leased	298,000
Total Land Sold	-
Total Land Either Leased or Sold	298,000
<b>REVENUES</b>	<b>Dollars</b>
<b>LEASING</b>	
Lease Revenue	\$6,100,599
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Land Sale Revenue	\$0
Airport Maintenance Fees (AMC) - Sold Land	\$0
Through the Fence Fee	\$0
<b>Total Revenue from Selling</b>	<b>\$0</b>
<b>Operating Revenues</b>	<b>\$11,769,798</b>
<b>Other Operating Revenues</b>	<b>\$4,268,276</b>
<b>TOTAL REVENUES</b>	<b>\$28,682,485</b>
<b>COSTS</b>	<b>Dollars</b>
<b>Operating Expenses</b>	<b>\$18,380,960</b>
<b>NET PROFIT (LOSS): BEFORE CAPITAL AND FINANCING COSTS</b>	<b>\$10,301,525</b>
New Infrastructure Development - Capital Costs	\$6,371,115
Interest on Debt	\$666,599
<b>NET PROFIT (LOSS): INCLUDING CAPITAL AND FINANCING COSTS</b>	<b>\$3,263,811</b>
<b>NET PRESENT VALUE (LOSS) OF AIRPORT OPERATIONS AND CAPITAL INVESTMENTS</b>	<b>\$596,944</b>
Rate Used to Calculate Interest Costs and Net Present Value	6.0%

## CONCLUSIONS

The recent capital improvements undertaken at Lake Simcoe Regional Airport will more than adequately meet future challenges posed by even the most aggressive activity forecast, and provides the Airport with the capability to expand upon and diversify its role as a general aviation airport.

With a capacity in excess of 200,000 annual movements, the single runway will meet and exceed the high activity forecast of 63,000 annual movements identified by the consultants. The runway's length of 6,000 ft. accommodates a wide range of aircraft types including long range corporate jets, regional jets/turboprops and narrowbody airliners.

The expanded Southwest Commercial Area will likely satisfy commercial development requirements for the next 10+ years. With lands available in the southeast and northwest



quadrants of the property, the Airport can accommodate commercial development demands well beyond the foreseeable horizon.

### KEY RECOMMENDATIONS

Key recommendations of the Commercial development / Air Service Plan include the following:

#### Airport Role:

- Moving forward, it is recommended the Lake Simcoe Regional Airport continue in its primary role as a general aviation airport supporting the surrounding communities and businesses. And with the recent infrastructure improvements completed in 2011, the Airport has the flexibility and capability to expand upon and diversify this role as other air service demands and business opportunities present themselves including cargo, air passenger and aviation support services.

#### Land Development Principles:

- It is recommended that the sale of airport lands be discouraged. The sale of airport land should be limited to the lands located in the northeast quadrant which directly abut on Line 7 N. and have access to municipal services.

#### Rates and Charges Framework:

- It is recommended that the established land lease rates for Lake Simcoe Regional Airport be 'sustainable' and that they should represent the true market value of the land.
- It is recommended that a land valuation of \$50,000/acre be used as the basis for determining unserviced land lease rates. This translates into a sustainable land lease rate of \$0.138/ft.<sup>2</sup>.
- It is recommended that a land valuation of \$168,750/acre be used as the basis for determining serviced land lease rates. This translates into a sustainable land lease rate of \$0.31/ft.<sup>2</sup>.
- It is recommended that an Airport Maintenance Charge (AMC) should be applied to all airport properties including leased lands. The AMC should be recalculated every 5 years with an annual CPI increase.
- It is recommended that an Airport Development Service Fee be applied to all new development on airport lands to cover the cost of the development review process. The fee would be based on building area
- It is recommended that new development on the Airport be charged an Airport Development Fee equivalent to the Township of Oro-Medonte development fee.



## **STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN**

### LAKE SIMCOE REGIONAL AIRPORT

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The Airport development levy should exclude building areas which are used exclusively for aircraft storage.

- It is recommended that a Water/Sewer Connection Charge be implemented for those developments on airport lands which require these services. A fee of \$20,000 should be considered.
- It is recommended that a Fire Service Connection Charge be implemented for those developments on airport lands which require these services. A fee of \$2,500 should be considered.
- It is recommended that a Through the Fence License be implemented which would apply to all off-airport lands which require airside access and utilize airport infrastructure.
- It is recommended that land values be assessed every five years.

#### **Commercial Development:**

- It is recommended the Southwest Commercial Area be developed for corporate general aviation and aviation business related functions.
- It is recommended a Southeast Commercial Area be developed in the southeast quadrant of the Airport. Development in this area should cater to the hangarage of light general aviation and private recreational aircraft.
- It is recommended an Airport Business Park be developed in the northeast quadrant of the Airport. Development in this area should include large lot development catering to larger scale aviation-related businesses such as aircraft maintenance repair and overhaul (MRO) facilities.

#### **Air Service:**

- It is recommended that the Airport Board create a focus group comprised of representatives from the Airport, municipal government, Chambers of Commerce, economic development offices, local businesses and the travel/tourism industry. The purpose of the group would be to actively promote air service and attract a scheduled air carrier to LSRA.
- It is recommended the Airport meet with targeted airlines to understand their market information requirements and identify determine potential infrastructure/operational needs.
- It is recommended the Airport meet with representatives from CATSA to determine security requirements and the provision of passenger/baggage screening services.

### Land Use Plan:

- The runway should be protected for a potential future extension to 2,286m (7,500 ft.). This would permit opportunities for future air service to destinations such as the Caribbean and west coast (very long term).
- The single runway has the capacity to accommodate approximately 200,000 annual movements and therefore sufficient to meet the long term needs of the Airport. A second crosswind runway is not contemplated and had not been protected for under the Airport Land Use Plan.
- Protection should be provided for a full parallel taxiway located north of Runway 10-28 (very long term).
- The City of Barrie lands located north of Runway 10-28 should be reserved for future airport uses. One potential use could be a future airport terminal building serving scheduled air services and capable of accommodating larger Code C narrowbody jet aircraft (very long term).
- A dedicated aircraft de-icing facility should be provided adjacent to the main terminal apron to serve de-icing needs for corporate and future air carrier needs (medium term). In the short term an area on the existing apron should be modified to accommodate the collection of glycol runoff.
- Taxiway Delta should be extended to the threshold of Runway 28 in order to improve the efficiency of the airside system (long term).
- With the potential for air traffic to increase to the levels forecast, there would be a need to ensure that surrounding land uses are compatible with the long term viability of the Airport. This includes restricting residential development and controlling the height of compatible land uses.
- The Airport Land Use Plan makes provision for an air traffic control (ATCT) facility, similar to that at Buttonville Airport. An ATCT facility would be required once traffic approaches 60,000 movements a year.
- A strategy should be implemented for the Airport to acquire lands to the west of the existing airport property.
- Coordination should take place with the Township of Oro-Medonte for amendments to the official plan and zoning bylaw that will provide for height controls on lands surrounding the Airport.
- Consideration should be given to undertaking the federal/provincial process to implement registered airport zoning regulations (AZR) for the Airport.

### **Development Approval Process:**

- It is recommended that Airport management take responsibility for the development review and approval process for all development that takes place on airport lands and that the Township of Oro-Medonte have responsibility for the Building Permit application, review and approval process.
- It is recommended that responsibility for managing and updating the Airport Land Use Plan reside with LSRA.
- It is recommended a Memorandum of Understanding (MOU) and contract be undertaken between the Airport and the Township of Oro-Medonte which would establish jurisdiction and responsibilities with respect to the airport development approval process.
- It is recommended that the Airport prepare development/site planning guidelines for airport lands.

### **General:**

- It is recommended that this Strategic Commercial Development / Air Services Plan be reviewed every 2-5 years and amended as required.
- It is recommended the Airport hire a Business Development Coordinator whose responsibility it would be to oversee the promotion and marketing efforts of the Airport and coordinate liaison with existing and prospective tenants with respect to business related matters.

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# STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN

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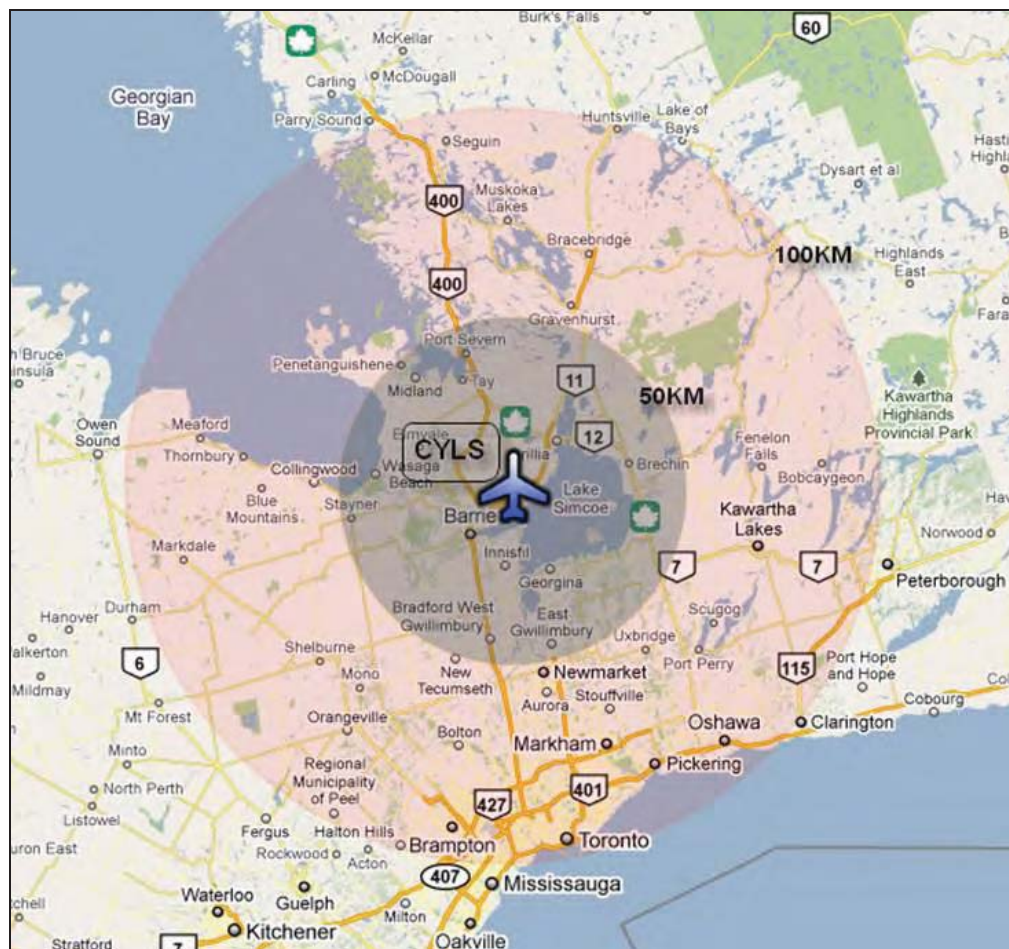
## 1.0 Introduction

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### 1.1 BACKGROUND

Lake Simcoe Regional Airport (LSRA) is located in the Township of Oro-Medonte, County of Simcoe approximately 10 km northeast of the City of Barrie and 15 km southwest of the City of Orillia. The Airport is situated on 240 ha of land, and is located 0.7 km north of Highway 11, a major transportation route which links southern Ontario and the Greater Toronto Area with northern Ontario and the Muskoka tourism/recreation district.

The Airport is jointly owned by the City of Barrie (80%) and the Township of Oro-Medonte (20%), and is managed by a Municipal Service Corporation responsible for the Airport's operation and maintenance. Figure 1 illustrates the location of LSRA in context to the surrounding region.



**Figure 1 Regional Context**

## **1.2 AIRPORT DESCRIPTION**

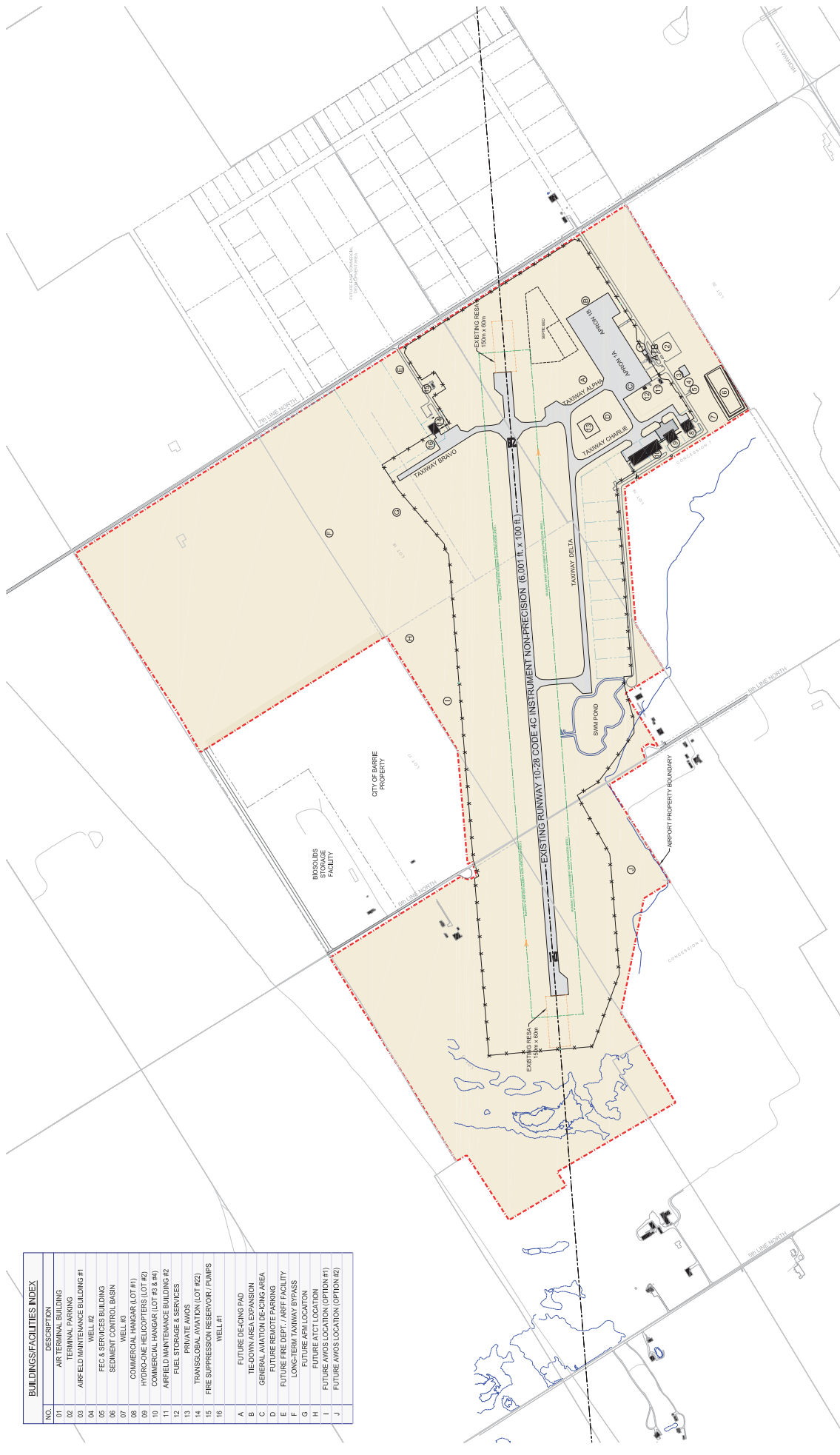
The Airport's airside infrastructure is comprised of a single 6001 x 100 ft. (1829 m x 30 m) paved, lighted, non-precision approach runway, a partial parallel Code C taxiway, and large terminal apron. Runway 10-28 is capable of accommodating a wide range of aircraft, including regional jets (CRJ-200/CRJ-705) and turboprops (Dash 8-300, Dash 8-Q400), plus narrow-body jet aircraft such as the B737-700. The Airport is served by LNAV GNSS approaches to both runway ends. The current approach minima are 368 ft. and 1¼ miles for Runway 10 and 385 ft. and 1¼ miles for Runway 28. It is expected that new LPV approaches will be published in 2011/2012 reducing the minima down to approximately 250-300 ft. which will improve airport accessibility significantly. The Airport operates 24 hours a day and is open all year.

A recently expanded airport terminal building serves corporate and general aviation users and accommodates the Airport's administration offices together with leased tenant space. A large car park is located adjacent to the airport terminal building.

Additional airport services include: aviation fuelling (100 LL and Jet-A), Port of Entry status with Canada Customs facilities for in-bound international flights, and generous lease areas available for hangars, operations buildings, and airside/groundside commercial development.

The general layout of the Airport is provided in Figure 2. Appendix A contains additional technical details related to the Airport as documented in the Airport Operations Manual.

BUILDINGS/FACILITIES INDEX	
NO.	DESCRIPTION
01	AIR TERMINAL BUILDING
02	TERMINAL PARKING
03	AIRFIELD MAINTENANCE BUILDING #1
04	WELL #2
05	FEC & SERVICES BUILDING
06	CEMENT CONTROL BINS
07	COMMERCIAL HANGAR (LOT #1)
08	HYDROCONE HELICOPTERS (LOT #2)
09	COMMERCIAL HANGAR (LOT #3 & #4)
10	AIRFIELD MAINTENANCE BUILDING #2
11	FUEL STORAGE & SERVICES
12	PRIVATE AMWS
13	TRANSGLOBAL AVIATION (LOT #22)
14	FIRE SUPPRESSION RESERVOIR / PUMPS
15	WELL #1
A	FUTURE DECKING PAD
B	TIE-DOWN AREA EXPANSION
C	GENERAL AVIATION DECKING AREA
D	FUTURE REMOTE PARKING
E	FUTURE FIRE DEPT. / ARFF FACILITY
F	LONG-TERM TANWAY BYPASS
G	FUTURE AFM LOCATION
H	FUTURE ATOT LOCATION
I	FUTURE AMWS LOCATION (OPTION #1)
J	FUTURE AMWS LOCATION (OPTION #2)



**LAKE SIMCOE REGIONAL AIRPORT**  
**STRATEGIC DEVELOPMENT PLAN**  
 On Station, ON  
 No. \_\_\_\_\_  
**FIGURE 2**  
**LAKE SIMCOE REGIONAL AIRPORT**  
**EXISTING 2011 AIRPORT LAYOUT**

Designed By:	JAH	Scale:	1:5000 (A2.5 SHEET)	Project No.:	
Drawn By:	JAH	Reviewed By:	CS	Revision No.:	
Revised:		Drawing No.:	PRJ.2	Sheet:	0505

**GENERAL LEGEND**

- EXISTING AIRSIDE PAVEMENT
- EXISTING ASPHALT CENTRELINE
- EXISTING ROAD
- EXISTING ASPHALT SIDEWALK
- EXISTING STRUCTURE / BUILDING
- EXISTING LEGAL BOUNDARY
- EXISTING DEVELOPMENT LOT BOUNDARY
- EXISTING AIRPORT PROPERTY
- EXISTING ASPHALT
- EXISTING ASPHALT PAVEMENT
- EXISTING ASPHALT CENTRELINE
- EXISTING ROAD
- EXISTING ASPHALT SIDEWALK
- EXISTING AIRPORT PROPERTY
- EXISTING LEGAL BOUNDARY
- EXISTING DEVELOPMENT LOT BOUNDARY
- EXISTING AIRSIDE PAVEMENT
- EXISTING ASPHALT CENTRELINE
- EXISTING ROAD
- EXISTING ASPHALT SIDEWALK

SCALE: 1:5000  
 ON A2.5 SHEET (PART 1)  
 0 100 200 300 400 500 600 700 800 900 1000 FEET

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Revision	Description	By	Checked	Date
1	FIRST DRAFT - INITIAL REVIEW	JAH	CS	MARCH 2011
2	FINAL DRAFT	JAH	CS	APRIL 2011
3	FINAL DESIGN	JAH	CS	MAY 2011
4	DESIGN FOR CONSTRUCTION	JAH	CS	MAY 2011
5	DESIGN FOR CONSTRUCTION	JAH	CS	OCTOBER 2011

Notes:  
 1. FOR PLANNING PURPOSES ONLY.  
 2. THIS PLAN IS A PRELIMINARY DESIGN AND IS NOT TO BE USED FOR CONSTRUCTION.  
 3. CONSULT WITH THE ENGINEER FOR ANY CHANGES TO THE PLAN.  
 4. CONSULT WITH THE ENGINEER FOR ANY CHANGES TO THE PLAN.  
 5. CONSULT WITH THE ENGINEER FOR ANY CHANGES TO THE PLAN.  
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### 1.3 NEED FOR A STRATEGIC PLAN

In 2009, the City of Barrie received funding from the Federal-Provincial Infrastructure Stimulus Fund towards an upgrade and expansion project at LSRA which should be completed in early 2011. This program consisted of a number of rehabilitation and infrastructure expansion projects for both the airside and landside areas. Major elements of this program included: the extension of Runway 10-28 to 1,829 m (6,001 ft.); construction of a partial parallel taxiway; expansion of the airport terminal building; and, the expansion of serviced commercial lot development in the Southwest Commercial Area.

Given these recent improvements and the associated opportunities for expanded commercial development, the Airport's senior management identified the need for a strategic plan to provide direction regarding the future of the Airport and to guide the Airport in realizing its operational and business potential.

Furthermore, the last Airport Master Plan was completed in 1992, at which time LSRA had just been constructed. Many of the recommendations of that report have been implemented, but overall, the Airport requires a new and updated review of its development and commercial strategies given its current status in the regional airport system and new business development opportunities.

There are a number of pending events which will impact the general aviation industry in the Greater Toronto Area (GTA) and will likely have consequences for Lake Simcoe Regional Airport. In the fall of 2010, the operator of Buttonville Airport announced a planned closure of the airport by 2015. This closure will necessitate the relocation of approximately 12 aviation-related business and 200 aircraft (of which approximately 130 are private aircraft) which are currently based at that airport.

A second event is the potential closure of Springwater Barrie Airpark. Although no firm date has been announced for the closure, the airport lands are presently for sale and it is anticipated that, given the proximity of the airport to residential development, the lands will be sold for non-aviation purposes.

In the longer term, it is expected that as activity at Toronto Pearson International Airport increases, general aviation operators will seek out alternative airports in the GTA in order to avoid potential congestion and minimize airport-related fees and charges. With the existing 6,000 ft. runway, LSRA is one of the few airports in the GTA capable of accommodating large corporate jet aircraft.

In light of these events, a strategic plan is required to better position LSRA to attract these potential business opportunities.

The focus of this Strategic Commercial Development Plan includes the following elements which were considered an immediate priority by senior airport management in helping focus their business development objectives for the next 20 years (i.e. 2011 – 2030).

- A review of the Airport's role(s).
- Aviation activity forecasts.

## STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN

### LAKE SIMCOE REGIONAL AIRPORT

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- A land tenure and commercial development strategy that will optimize commercial development at LSRA and review land valuation and lease rates.
- An assessment of potential demand for scheduled air services and identification of potential routes and target airlines.
- An Airport Land Use Plan that will guide development and assist LSRA in achieving its objectives.

This report is not an Airport Master Plan but represents a strategic planning document and an update to the existing Airport Land Use Plan that can be used in managing the development of the Airport and for future incorporation into a consolidated and updated Airport Master Plan.

#### 1.4 ROLE OF THE AIRPORT

To date, LSRA has served as a general aviation airport providing services to a wide spectrum of users including corporate/business aviation, air charter services, flight training, rotary wing operators and recreational pilots. The Airport is also occasionally used by the Canadian Armed Forces, to support activities at nearby CFB Borden, and by various government agencies, including the RCMP and the Ontario Provincial Police.

Existing tenants at the Airport include the following:

- Ontario Hydro Helicopter Services – rotary wing operations/maintenance base.
- Future Air – flight training, air charter, aircraft rental, sightseeing.
- Transglobal Aviation – aircraft sales, brokerage.
- Presidential Air – executive charter.
- Aero Covers – aircraft wing/engine cover fabricator.
- Dominion Pegasus Helicopters – aerial survey, charters, sightseeing.
- Ontario Provincial Police – aviation services.
- UKCAN Real Estate – commercial development/facilities management.
- Canadian Border Services Agency – customs and immigration services.

With the recent upgrades to its infrastructure, LSRA is excellently positioned to accommodate a diverse variety of activities, and as such, should be open to a variety of roles. As such, it is recommended that the updated role be described as follows:

#### ***Lake Simcoe Regional Airport Role 2011-2030***

***Moving forward, it is recommended that Lake Simcoe Regional Airport continue in its primary role as a general aviation airport supporting the surrounding communities and businesses. And with the recent infrastructure improvements***



***completed in 2011, the Airport has the flexibility and capability to expand upon and diversify this role as other air service demands and business opportunities present themselves including cargo, air passenger and aviation support services.***

With the extension of the runway to 1,829 m, LSRA can now accommodate larger Code C aircraft, such as the Boeing 737 and Airbus A320. This in turn introduces opportunities for the Airport to attract a broader range of operators and businesses including MRO (maintenance, repair and overhaul) operations and airline maintenance bases.

The longer runway also enhances the Airport's capabilities to serve corporate/business aviation because it better meets the operational requirements of larger corporate jets such as the Gulfstream G650 and Bombardier Global Express, and permits aircraft departing from LSRA to operate longer non-stop distances. LSRA is one of the few regional airports in the Greater Toronto Area which is capable of accommodating corporate jet aircraft. With the prospect of increased congestion and ground/airspace delays occurring at Toronto-Pearson International Airport in the future, LSRA provides a viable alternative gateway to businesses located in Toronto and areas north of Toronto.

The recent runway extension and improvements to the airport terminal building introduce opportunities for limited scheduled passenger air services, which, with further expansion to the terminal, could ultimately be expanded in the future to include regional jet and turboprop service.

## **2.0 Socio Economic Context**

---

### **2.1 GENERAL**

The following sections provide a basis of understanding of the economic environment, regional socio-economic factors and aviation trends which provide the context necessary to prepare the aviation forecasts included as part of this strategic plan.

### **2.2 SOCIO-ECONOMIC BACKGROUND**

Lake Simcoe Regional Airport serves the City of Barrie, the City of Orillia, the Township of Oro-Medonte and the County of Simcoe. The Cities of Barrie and Orillia, combined with the Town of Midland and the Township of Oro-Medonte provide a catchment population of approximately 300,000. The County of Simcoe, including the urban areas of Barrie and Orillia, provides a catchment population of approximately 450,000. The majority of this population is within a 40 minute drive to the Airport.

In recent years, the Airport's catchment area has experienced significant growth in its population. Between 2001 and 2006 the County of Simcoe had the fourth fastest growth rate in the province at 12%<sup>2</sup>. Similarly, during the same period, the City of Barrie had the highest growth rate for any Census Metropolitan Area (CMA) within the Province, with a growth rate of over 19%. Figure 3 compares the 2001-2006 growth rate of Barrie against other urban areas in Ontario.

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<sup>2</sup> Ontario Ministry of Finance, 2006 Census



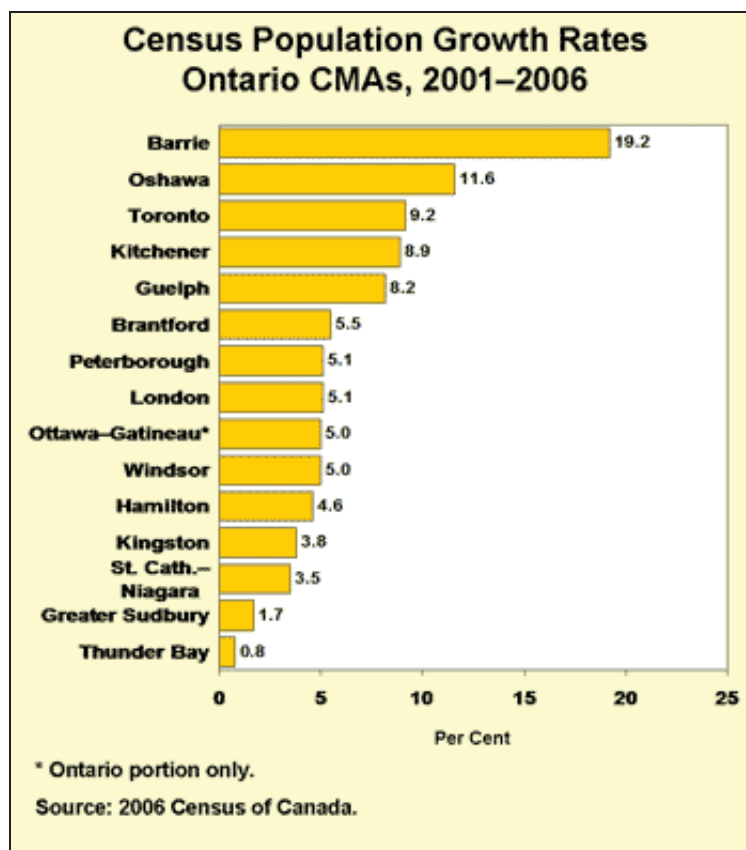


Figure 3 Census Population Growth Rates

It is anticipated that the population growth rate of the LSRA catchment area will continue to outpace most other census areas in Ontario and that over the next 25 years the population of Simcoe County will increase by approximately 250,000<sup>3</sup>. It is anticipated that much of this increase will be centered in the southern portion of the County, in proximity to the Barrie urban area.

The 2010 estimated population distribution and average household income for key catchment communities is described in Table 1. The table also describes short term projected populations.

<sup>3</sup> Ontario Ministry of Finance

<b>Table 1 Regional Population</b>				
<b>City</b>	<b>2010 Estimated</b>			<b>2015 Population (projected)</b>
	<b>Population</b>	<b>Household Income</b>	<b>% Change From 2006</b>	
Barrie CMA	192,791	\$84,921	4.93	206,655
Orillia CA	43,452	\$65,285	3.31	45,367
Midland CA	37,531	\$64,865	2.08	38,374
Oro-Medonte	21,463	\$93,247	3.27	22,378
<b>Total</b>	<b>295,237</b>			<b>312,774</b>
<i>Source: FP Canadian Demographics 2010</i>				

Table 2 describes short term population projections for all of Simcoe County including urban areas.

<b>Table 2 County of Simcoe Population</b>				
<b>County</b>	<b>2008 Estimated</b>			<b>2016 Population (projected)</b>
	<b>Population</b>	<b>Household Income</b>	<b>% Change From 2006</b>	
Simcoe County*	448,568**	\$73,624	5.5	520,430***
* Includes Barrie, Orillia ** 2008 Estimate, Ontario Ministry of Finance *** 2016 Estimate, Ontario Ministry of Finance				

The 'Places to Grow' Proposed Amendment 1 (October 2010) to the Growth Plan for the Greater Golden Horseshoe prepared in 2006<sup>4</sup> identifies the Lake Simcoe Regional Airport as one of four economic employment districts located within Simcoe County. The Growth Plan projects a 2031 population of 667,000 for the Simcoe County, with over a quarter of a million people employed.

Given the anticipated growth projections from these various sources, the airport catchment population could potentially grow from approximately 450,000 in 2011 up to approximately 560,000 by 2020, the planning horizon for this study. This is a comparable catchment to other southern Ontario regional airports like the Waterloo Regional International Airport which serves a 600,000 population catchment. This airport has successfully attracted and

<sup>4</sup> Prepared by the Ontario Ministry of Infrastructure

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maintains scheduled and cargo air services along with a healthy aviation-related commercial development sector.

### Employment Sectors

Major employment sectors in the Barrie/Orillia areas include the public/government sector, construction, tourism, the services sector and manufacturing. This is reflected in Table 3 which identifies major employers in the catchment area. Included in the table, and having a significant potential for the Lake Simcoe Regional Airport, is CFB (Canadian Forces Base) Borden with 3,250 service personnel plus 1,500 civilians, and the Alliston Honda manufacturing plant with 4,000 employees. Both of these employers are familiar with the LSRA and have utilized it on a consistent basis.

The City of Barrie has a higher participation rate for employment than the rest of Ontario at 72.4% versus the Ontario rate of 67.1%, and has correlated higher employment rates of 68.0% versus 62.8% for the rest of Ontario. Orillia, the other major centre in the region, has a lower participation rate than the rest of Ontario at 64.1% and an employment rate of 60.5%. Overall, the participant rate for employment within the LSRA catchment area is higher than the remainder of the province, a healthy indicator of employment status.

Rank	Company	Community	Industry	Public/Private Sector	No. of Employees
1	CFB Borden	Borden	Government	public sector	4,700
2	Honda Canada	Alliston	Automotive	Manufacturing	4,000
3	Casino Rama	Orillia	Gaming / Entertainment	Tourism	3700
4	Royal Victoria Hospital	Barrie	Health Care Services	public sector	2100
5	Simcoe County District School Board	Barrie	Educational Services	public sector	1890
6	Georgian College	Barrie	Educational Services	public sector	1200
6	Ministry of the Solicitor General & Correctional Services	Orillia	Ontario Provincial Police Headquarters	public sector	1200
7	TeleTech Canada.	Orillia	Customer Interaction	Services	840
8	Mental Health Centre Penetanguishene	Midland	Health Services	public sector	828
8	Huronian Regional Centre	Orillia	Ministry of Community & Social Services	public sector	750
9	Elcan Optical Technologies	Midland	Manufacturers of High Optics, assemblies	Manufacturing	696
10	Techform Products Ltd.	Midland	Automotive parts	Manufacturing	670

*Source: Ontario Ministry of Economic Development and Trade*

Georgian College and the Orillia campus for Lakehead University offer a variety of technical, engineering and business management skills to over 2,000 graduates per year that continually contribute to the region's skilled labour base. Georgian College offers a unique Aviation Management program and many of its students make use of the Airport and its tenants for aviation-related training and for coop employment opportunities. The mutual benefits posed by expanding the ongoing relationship between the college and the Airport could foster additional activities at the Airport and could be an incentive for aviation businesses to locate at LSRA.

### 2.3 AVIATION TRENDS

In recent years, the aviation industry has been significantly impacted by a number of factors which have ultimately led to a decline in activity. The most significant of these was the global financial crisis initiated in late 2008, which resulted in a major downturn in the world economy and plummeting consumer confidence. Another significant factor impacting the aviation industry was the unprecedented increase in fuel costs. In recent years, the number of itinerant flights in Canada has decreased by approximately 5%, whereas local flights have decreased by as much as 20%. The reduction in local flights points toward a decline in both flight training and recreational flying.

Transport Canada in its latest Aviation Forecast (September 2009) predicts that over the medium to long term, real GDP in Canada is expected to experience average annual growth rates of 2.3% over the period 2012-2017, and 2.0% over the period 2017-2022. Transport Canada projects a slower recovery for general aviation with a modest 1.3% in the short term, increasing to 1.9% in the medium term, with an overall growth of 1.4% for the term of the forecast ending in 2023.

There are signs that the aviation industry has turned around and is heading for growth. In 2010, the aviation industry reflected a more positive note with passenger activity on the rise and major Canadian air carriers indicating a return to profitability. The Conference Board of Canada forecasts that the Canadian airline sector will have pre-tax profit totalling \$192-million in 2010; a big turnaround from the combined losses of \$381-million in 2009. This optimism may be somewhat dampened as economic indicators suggest economic recovery, particularly in the US and Europe, is occurring at a slower pace than expected and that consumer confidence and spending still remain low. Transport Canada in its 2009 Aviation Forecast suggests that once the economy recovers it is anticipated that the domestic sector passenger activity will grow at an annual rate of approximately 2.9 percent over the forecast horizon<sup>5</sup>.

Similarly, the corporate/business aviation market is also showing signs of anticipated growth. Netjets, a large fractional jet ownership company, recently announced the purchase of up to \$6.7 billion in Bombardier corporate jets to accommodate what it sees as a growing demand for corporate and business aviation. However, much of this growth is anticipated to occur in Asia, Africa, the Middle East and Europe, with more moderate growth in North America. In North America, it is anticipated that the demand for new

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<sup>5</sup> Aviation Forecast, Transport Canada, 2009

corporate/business aircraft in the short term will be driven largely by a need to replace older, less fuel efficient models, rather than to expand corporate fleets.

A business aviation outlook prepared by Honeywell Aerospace in late 2010 suggests that business aviation is on the upswing with international jet flights recovering more rapidly than domestic missions in both North America and Europe. *“Most aircraft segments are posting gains in the 10 to 20-percent range over 2009 levels of activity in North America.*

## 2.4 ECONOMIC OUTLOOK

The Canadian economy is slowly showing signs of recovering to pre-2008 levels of activity, but it still is in a slow growth pattern. According to the international Organization of Economic Cooperation and Development (OECD), Canada's unemployment rate is expected to remain steady, in the high 7% range through 2011, while the large amount of slack in the economy should keep inflation subdued. The OECD has stated that the Bank of Canada should keep its key benchmark rate 'as is' through early 2011, and barring a "further deterioration" in the labour market, Ottawa should proceed as planned with its deficit-cutting program.

The outlook highlights some of the 'significant' risks the global economy faces, from debt woes in Europe to further weakness in housing activity in both the United States and Britain. Other areas of downside risk cited relate to: an upward revision in inflation expectations; lingering uncertainties about banks and the availability of credit; large capital inflows into many emerging economies prompted by the Federal Reserve's asset purchases that could lead to tighter credit conditions; and tensions created by widespread currency interventions.

### 2.4.1 World Economic Growth

Overall, the OECD expects its members (mostly advanced economies) to post growth of 2.8% this year, 2.3% in 2011 and 2.8% in 2012. The OECD stated that regardless of some underlying tensions, industrialized economies must carry on with deficit-reduction plans despite some inevitable short-term consequences on GDP growth. This outlook comes at a time when the global economy is in a tenuous position, as Europe's debt woes have reemerged and roiled markets.

In a rapidly globalizing economy, the pace of growth around the world is becoming increasingly important to Ontario as it further expands its trade and financial market linkages with the United States and globally. As experienced over the years, and especially during the recent downturn, developments in the global economy can have a significant impact on Ontario which has a large manufacturing sector. According to a recent IHS Global Insight's projection, world real GDP will advance at an average pace of 3.2% over the 2010 - 2030 period. Meanwhile, emerging economies such as Brazil, Russia, India and China (BRIC countries) are projected to grow more rapidly over the long term, averaging 6.3% annually.

Table 4 describes the current and projected share of GDP output for selected countries.

Nominal GDP Shares	1990 % share	2010 % share	2030 % share
World	100.0	100.0	100.0
G7 Countries	60.9	52.1	34.9
United States	24.6	23.6	16.8
Japan	13.0	8.7	4.2
BRIC Countries*	6.6	15.8	33.7
China	1.6	8.4	24.3

\*BRIC countries are Brazil, Russia, India and China.  
Sources: IHS Global Insight World Overview, November 2009 and International Monetary Fund, World Economic Outlook, October 2009.

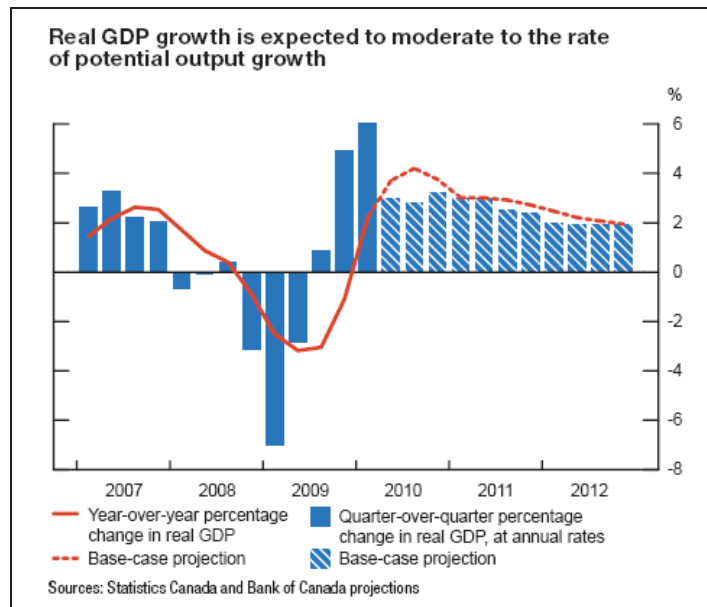
### **2.4.2 Canadian Indicators**

Home sales were flat year over year to the end of August 2010. Manufacturing sales fell 0.9% in July 2010 but up 15.5% over the low of May 2009. Employment increased in August 2010 by 36,000, but so did the unemployment rate by 0.1% as more people entered the workforce. Canada is the only G7 country to recover virtually all of its output and job losses from the recession.

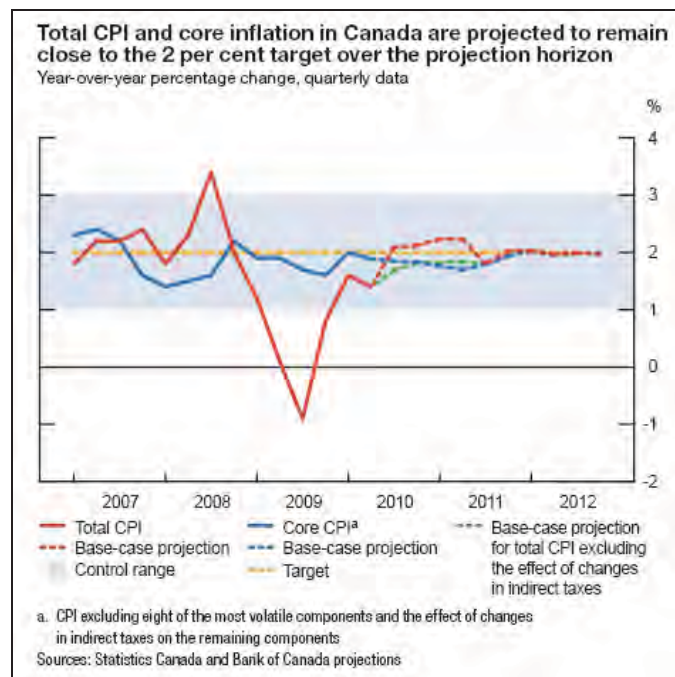
The OECD has projected GDP growth of 2.3% in 2011 and a rebound to 3% in 2012 (see Figure 4). With the exception of 2012, this matches what the Bank of Canada has forecast. *"The economic recovery has slowed sharply as a result of waning expansion of external demand and a retrenchment in household spending growth,"* the OECD said about Canada. However, economic activity *"is nevertheless projected to progress at a moderate pace through 2011-12 as employment prospects and external demand gradually pick up again."*

Investment by the business sector, bolstered by strong earnings and accommodative credit conditions, is expected to pick up the slack. One big concern, however, is further strengthening of the Canadian dollar, as the U.S. currency weakens in the face of the Fed's US\$600-billion asset purchase plan. A stronger dollar could damage business confidence, especially in manufacturing, and weaken exports.

The Bank of Canada has produced the following two graphs indicating their view on the recovery. The report, which came out on November 24, 2010, indicates inflation is up to 2.4% with core inflation also rising (Figure 5). It is not expected that the interest rate environment will change with this news immediately and should stay at its record low levels until spring or summer 2011.



**Figure 4 GDP Forecast**



**Figure 5 Inflation Forecast**



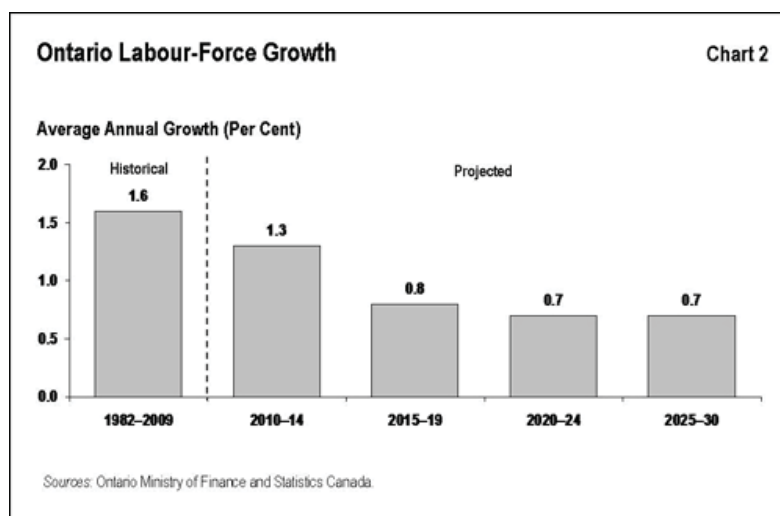
### 2.4.3 Long Term Ontario Projection

Future growth in Ontario's economic capacity, or potential output, will largely be determined by the supply of labour, the stock of capital and productivity growth. Taken alone and compared to the historical average, the projected slower growth in labour supply over the next 20 years would lead to nearly one percentage point slower real gross domestic product (GDP) growth in the future.

#### ***Slower Labour-Supply Growth***

Total supply of labour available in the economy depends on the population eligible to work and their willingness to work (i.e., labour-force participation). It is projected that there will be a declining rate of growth for the core working-age population (ages 15 to 64), which will push down its share of total population from 69.4% in 2009 to 61.5% by 2030. This reflects relatively low birthrates in Ontario in the 1980s and 1990s, and the passage of baby boomers into the 65 and over age group.

Figure 6 describes the projected decline in the annual labour growth rate in Ontario.



**Figure 6 Ontario Labour Force Growth**

The overall labour-force participation rate is expected to fall in the future as a growing proportion of the total population grows older and has weaker labour-force attachment. This decline is expected to be partially offset by an increase in the participation rate of older workers. For youth, the participation rate for both males and females is expected to rise modestly from recent lows as the economy improves. By 2014, the participation rate for those aged 15 to 24 should level off as the returns to education increase. For individuals over age 65, modest increases in their level of participation are expected to continue as people live longer, healthier lives.

**External Factors that Affect the Ontario Economy**

The performance of the Ontario economy is strongly influenced by external developments such as economic growth in other jurisdictions, commodity prices, the Canadian dollar exchange rate and interest rates. The assumptions about these key external factors that underlie this long-term economic projection are broadly consistent with prevailing private-sector views. Table 5 describes the key external factors that will impact the Ontario economy over the next 20 years

<b>Table 5</b>	
<b>Assumptions Overview: Key External Factors</b>	
<b>Components</b>	<b>Assumptions</b>
<b>Global Economy</b>	<i>Global real growth to average 3.2 per cent in the 2010–30 period.</i>
<b>U.S. Economy</b>	<i>Real growth to average 2.6 per cent in the U.S. over the next two decades, compared to 2.8 per cent historically.</i>
<b>Rest of Canada</b>	<i>Long-term real growth to average 2.3 per cent in the rest of Canada compared to 2.4 per cent historically.</i>
<b>Oil Prices</b>	<i>Oil prices to approach \$130 per barrel (nominal U.S. dollars) by 2030. Projection adopts cautious assumption of rising real oil prices.</i>
<b>Canadian Dollar</b>	<i>Canadian dollar to remain in the 90 cents US to parity band through 2030.</i>
<b>Inflation</b>	<i>Inflation to remain near two per cent over the long term, consistent with the Bank of Canada's target range.</i>
<b>Interest Rates</b>	<i>Nominal interest rates rise from recent lows, but remain below the historical average.</i>

Given these various factors, the long-term economic projections provided by the Government of Ontario suggest that the impact of demographic factors will likely be offset by growth in capital investment and productivity. Table 6 describes projected GDP growth rates for Ontario.

	<b>Actual (Average)</b>	<b>Projection (Average)</b>				
	<b>1982–09*</b>	<b>2010–14</b>	<b>2015–19</b>	<b>2020–24</b>	<b>2025–30</b>	<b>2010–30</b>
<b>Real** GDP Growth</b>	2.6	3.1	2.6	2.4	2.3	<b>2.6</b>
<b>Labour-Force Growth</b>	1.6	1.3	0.8	0.7	0.7	<b>0.9</b>
<b>Real Capital Stock Growth</b>	1.8	1.8	3.1	2.5	2.6	<b>2.5</b>
<b>Real GDP per Capita Growth</b>	1.1	1.9	1.4	1.2	1.1	<b>1.4</b>
<small>*Data for 2009 are Ontario Ministry of Finance's estimates except for labour-force growth.                      ** Adjusted for inflation                      Sources: Ontario Ministry of Finance and Statistics Canada</small>						

In developing aviation activity forecasts for Lake Simcoe Regional Airport the information identified in this section will be used to develop a base case scenario which assumes that growth at the Airport is tied to regional economic growth indicators.

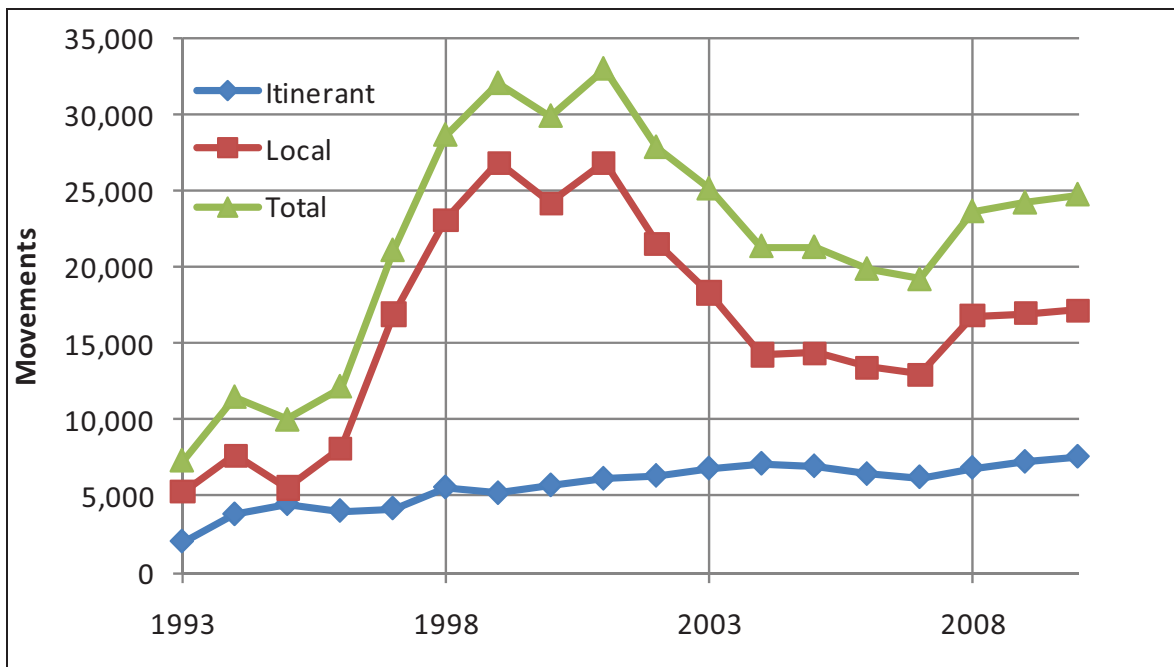
### 3.0 Aviation Activity Forecast

#### 3.1 HISTORICAL ACTIVITY

There has never been scheduled passenger or scheduled cargo services at Lake Simcoe Regional Airport, so available historical traffic statistics from Statistics Canada (TP141) is limited to aircraft movements. It should be noted that aircraft movement statistics for uncontrolled airports may not be completely accurate due to unreported movements which take place when observations are not being recorded.

The lack of passenger data (corporate and charter traffic) or information on ad hoc cargo activity limits the Consultant’s understanding of current activities and potential opportunities. ***In that regard, it is recommended that LSRA record, for more accurate statistics, future passenger and cargo activities as it will provide a better base for planning in the future.***

Annual totals since the Airport opened in 1993 are shown in Figure 7. For 2010, based on seven months of actual data, there are expected to be about 24,700 total movements, of which about 7,500 will be itinerant. Historically, itinerant traffic has grown in a relatively consistent fashion at a rate of about 4.4% per year. Local traffic has fluctuated substantially, depending on the intensity of flight training operations at the Airport.



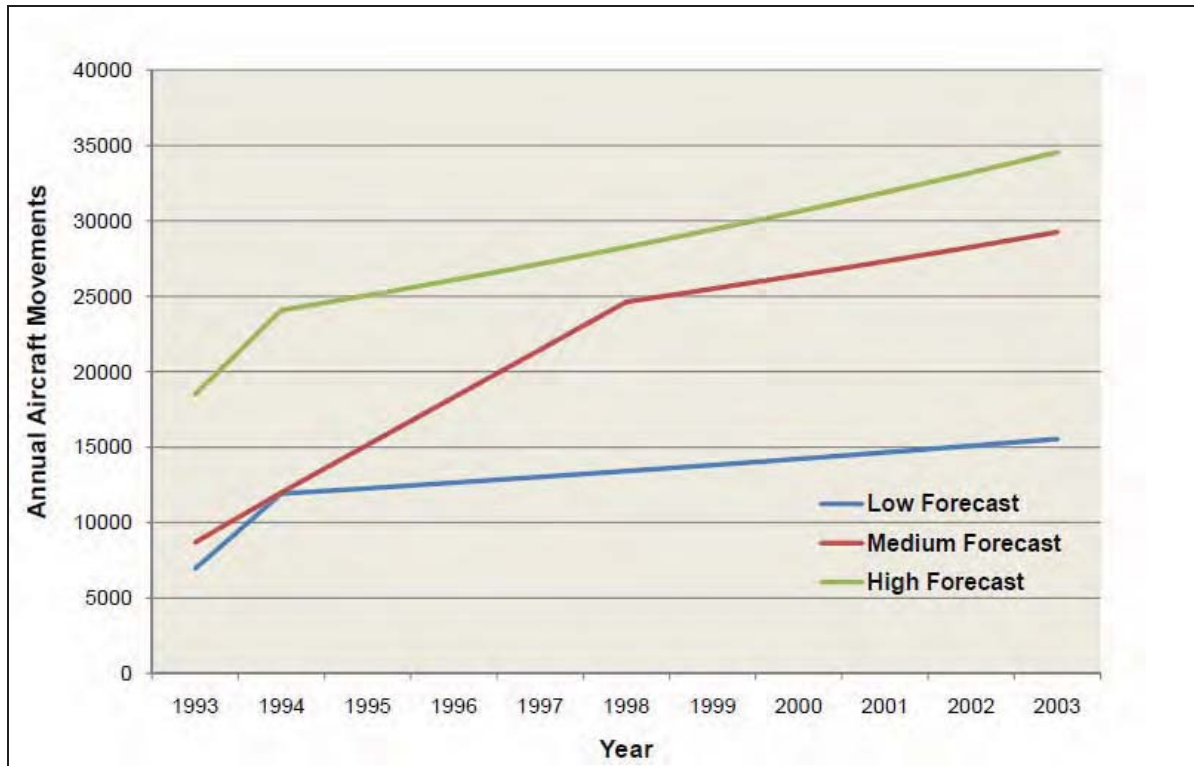
Source: Statistics Canada TP141, 2009

Figure 7 Historical Aircraft Movements

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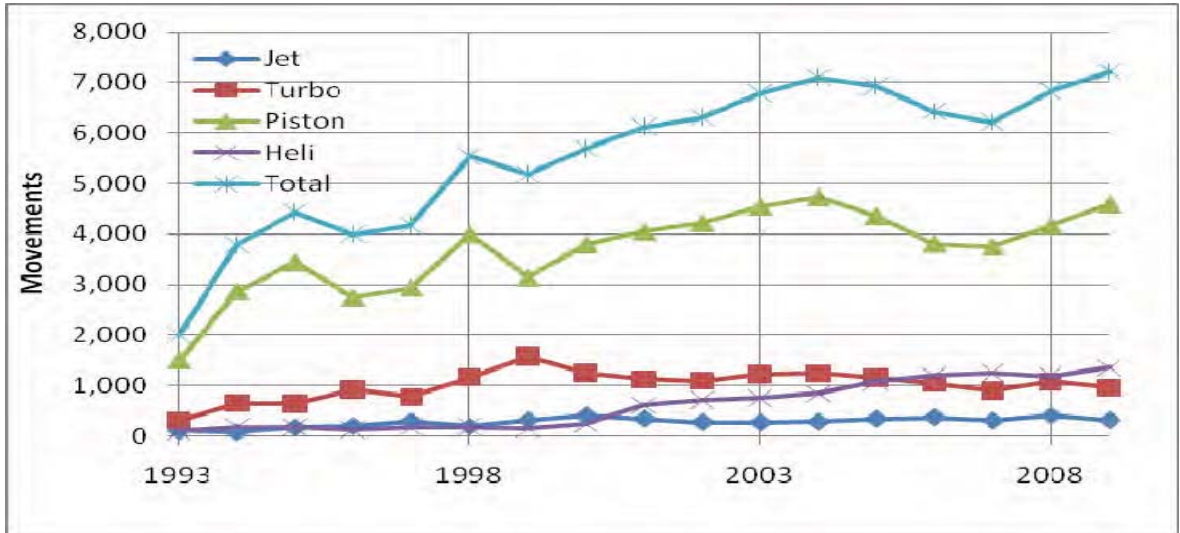
### LAKE SIMCOE REGIONAL AIRPORT

For comparison, Figure 8 describes the aircraft movement forecast generated as part of the 1992 Airport Master Plan. The Airport reached the high forecast projection of approximately 35,000 aircraft movements in 2001; however, this peak number has since decreased due to a decline in local movements. Under the 1992 forecast it was assumed that itinerant traffic would account for approximately 55% of the overall movements. In actual fact, itinerant movements account for approximately 30% of the total movements.



**Figure 8 1992 Aircraft Movement Forecast**

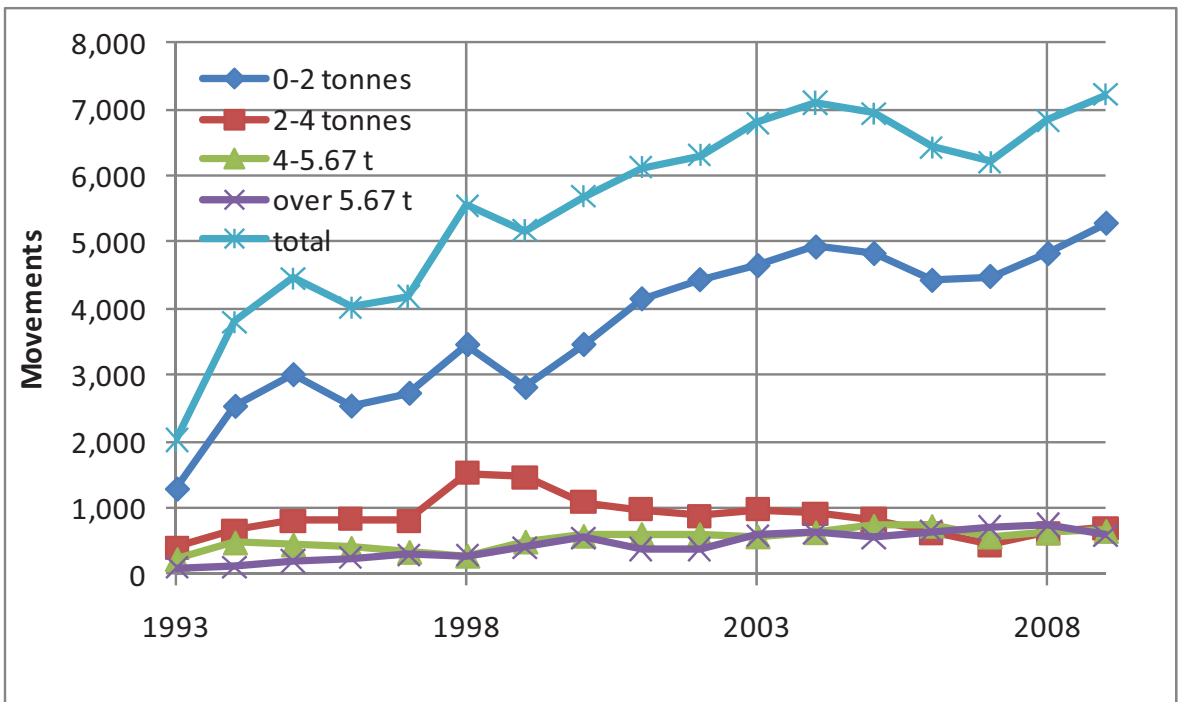
The distribution of itinerant movements by aircraft type is shown in Figure 9. The data provided by Transport Canada suggests there has been almost no growth in heavier aircraft types (turboprops and jets). Growth has been limited to piston aircraft, as well as helicopters. This is generally contradictory to antidotal information provided by the Airport which suggests that the biggest increase in revenues over the past 5 years has been the sale of jet A1 fuels. As LSRA is an 'uncontrolled' airport, a margin of annual flights goes unrecorded. Again, this reemphasizes the need for accurate recording of movements to support future planning initiatives.



Source: Statistics Canada TP141, 2009

**Figure 9 - Historical Itinerant Aircraft Movements by Aircraft Type**

Similar results can be seen by looking at a breakdown by aircraft weight class, as shown in Figure 10. Most of the activity, and almost all of the growth, has been in aircraft with take-off weights below 4 tonnes (4,000 kilograms).



Source: Statistics Canada TP141, 2009

**Figure 10 Historical Itinerant Aircraft Movements by Aircraft Weight Class**

## **3.2 TRAFFIC FORECASTS**

### **3.2.1 The Approach to Traffic Forecasts**

Due to the level of uncertainty involved, four sets of traffic forecasts have been made, as follows:

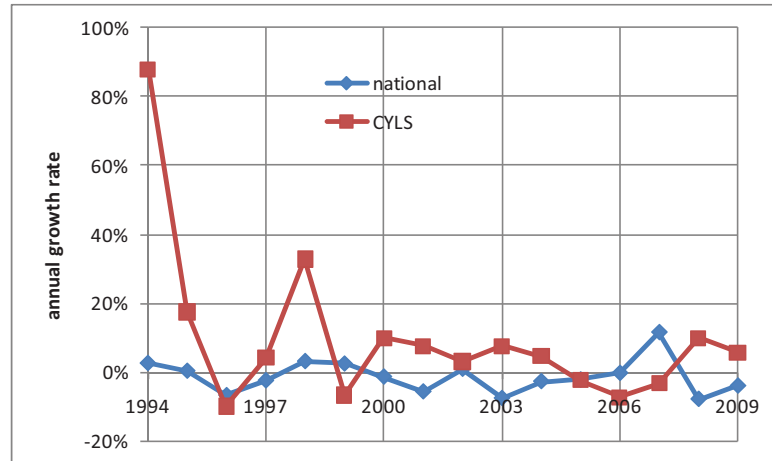
- **Baseline** - a baseline forecast, under the assumption that no major changes will be made to the current traffic mix, and that natural growth will take place consistent with regional economic growth projections as shown earlier in Table 6, Ontario Key Economic Projections;
- **Scenario 1** - the baseline forecast, plus an expansion of flight training activity under the assumption that when Buttonville Airport closes in approximately 2015 at least one major flight school relocates to LSRA;
- **Scenario 2** - the baseline forecast plus the initiation of scheduled passenger services to some combination of Ottawa, Montreal and possibly Thunder Bay, with 9-19 seat aircraft; and
- **Scenario 3** - the baseline forecast plus an allowance for the accelerated development of business and corporate aviation activity.

By considering these scenarios singularly and in combination, it is intended to test the capacity of the various elements of the airfield and to utilize this information in financial projections.

### **3.2.2 Baseline Traffic Forecast**

The latest available Transport Canada forecast of itinerant general aviation movements was published in August, 2010. Average annual growth for GA movements is projected to average 1.7% per year through 2013, 1.9% for 2013 – 2018, and 1.4% from 2018 to 2023. However, on a historical basis, the national average annual growth rate was -1.8% per year from 1995-2009, while the corresponding rate for Lake Simcoe Regional Airport was 3.5% growth. Figure 11 compares year-to-year traffic growth rates at Lake Simcoe with national trends. Growth rates at Lake Simcoe Regional Airport exceeded national levels in 12 of the 16 years charted.

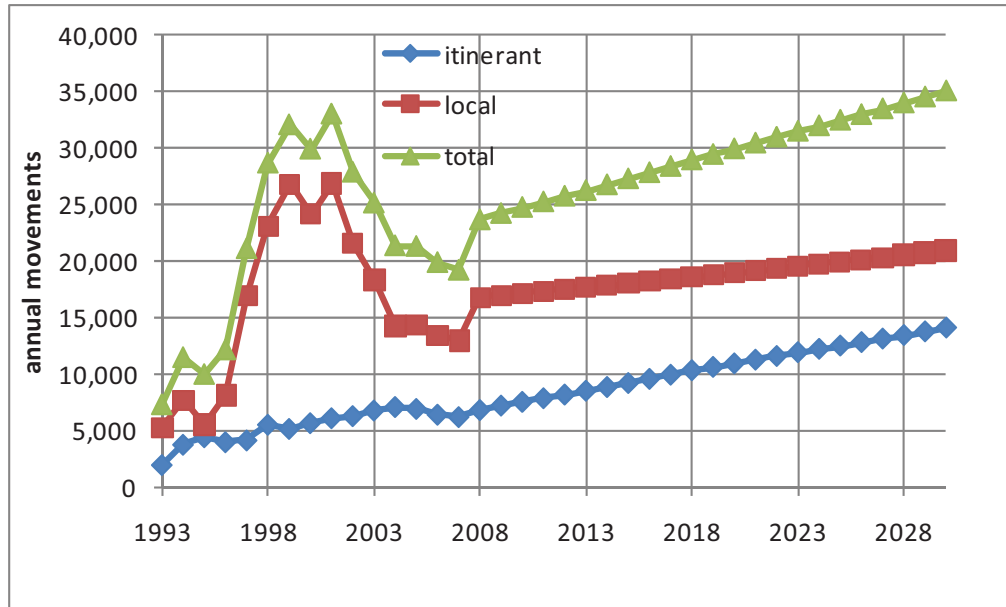




**Figure 11 Historical GA Itinerant Aircraft Movements National vs. LSRA**

Given the above average prospects for economic growth in the Lake Simcoe region, itinerant aircraft movements have been forecast at the Transport Canada rates, but augmented by an additional 2% per year through 2018, 1.5% per year from 2018 – 2023, and 1% per year thereafter. These percentage increases reflect the fact that historically, annual growth of itinerant traffic at LSRA exceeds the national average.

Local movement activity has been much more volatile, but recent growth rates have been in the 1% per year rate, based on the current level of flight training activity. Given the Airport management’s perspective, which sees flight training as a part of the business but not a priority activity to pursue for growth, the baseline rate for local movements has been extended at the recent rate of 1% per year. A chart of the baseline annual movement forecasts is shown in Figure 12. For 2030, under the baseline forecast, there would be an estimated 14,000 itinerant movements, and 21,000 local movements, for an overall annual total of 35,000 aircraft movements.

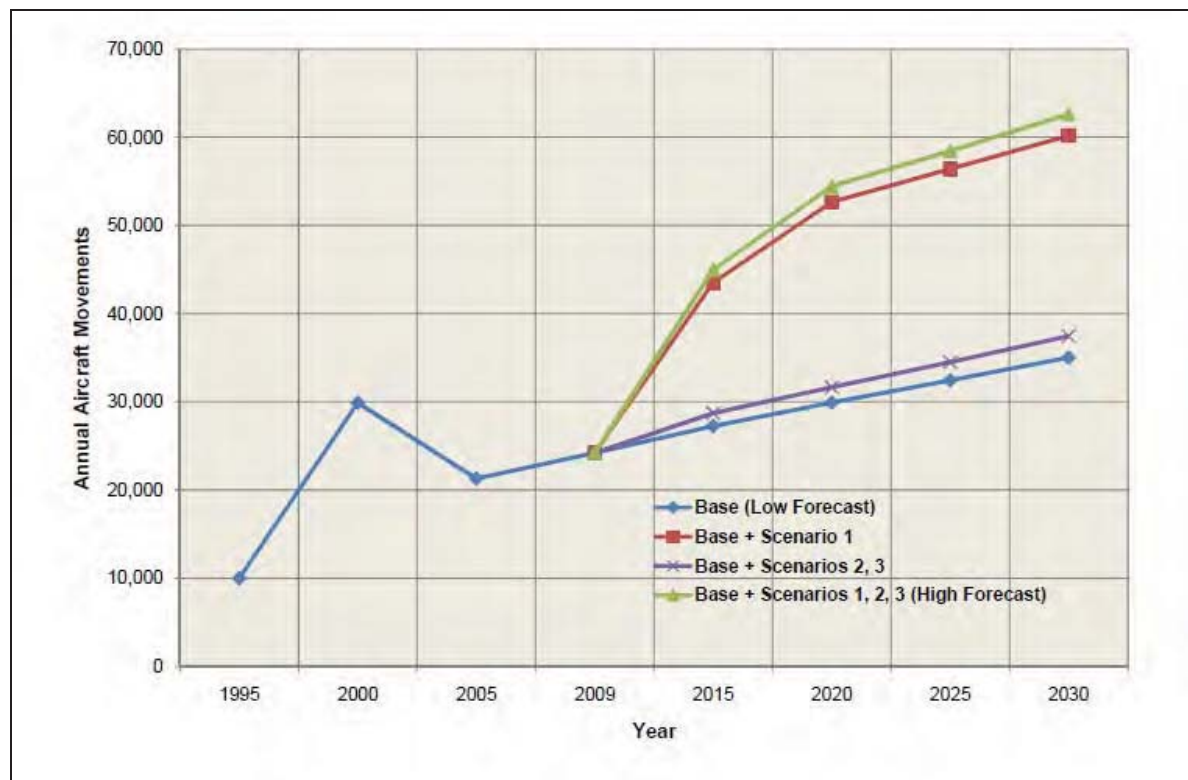


**Figure 12 Baseline Traffic Forecasts**

**3.2.3 Summary of Forecast Scenarios**

The Baseline forecast represents an estimate of forecasted aircraft activity at Lake Simcoe Regional Airport through 2030, assuming that there are no significant changes to the nature of activity at the Airport and that future growth will generally follow national predictions with respect to growth. The three additional scenarios represent possible unrelated deviations from the baseline forecasts, where there is a change in the Airport’s role, and/or significant increases in a specific market segment. These scenarios are described in Table 7 and illustrated in Figure 13.

<b>Table 7 Aircraft Movement Scenarios</b>				
<b>Year</b>	<b>Total Movements by Scenario</b>			
	<b>Base</b>	<b>Base +2+3</b>	<b>Base +1</b>	<b>Base +1+2+3</b>
1995	9,989			
2000	29,877			
2005	21,292			
2009	24,198	24,198	24,198	24,198
2015	27,255	28,711	43,504	44,960
2020	29,902	31,648	52,627	54,418
2025	32,427	34,486	56,385	58,418
2030	35,015	37,444	60,168	62,597



**Figure 13 Aircraft Movement Forecasts Scenarios**

The projected increases in activity from itinerant movements (Base + Scenarios 2, 3) would increase the overall movements by only 5%, whereas, the greatest potential increase in activity would be from local movements (Base + Scenario 1) which could increase the overall movements by over 70%.

The total aircraft movements for the Lake Simcoe Regional Airport could potentially exceed 60,000 movements in the next 20 years through a combination of attracting flight training and recreational activity from Buttonville Airport, introducing some limited scheduled service and slowly building the corporate general aviation market.

Without the itinerant increases associated with the scheduled service, the movements will still likely exceed 35,000 movements on the strength of increased local movements and the baseline model. The potential to attract Buttonville flight training activity is seen as very feasible with the right timing and market development. The increase in itinerant movements will have a very positive relationship with both airport revenues and employment.

As a comparison with other airports in the Greater Toronto area, Buttonville Airport experienced approximately 155,000 movements in 2009, Oshawa Municipal Airport approximately 66,000 and Waterloo Regional International Airport 95,000. For these airports, a large component (40% - 50%) of the movements is local flights due to the presence of flight training programs.

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The owners of Buttonville Airport have announced the airport will close in 2015. With the pending closure, traffic from that airport will migrate to other airports in the Greater Toronto Area, including LSRA. At present there are approximately 200 aircraft and a number of aviation businesses based at Buttonville which will have to relocate.

In Summary, Table 8 and Figure 13 provide a comparison of the Low Forecast (Base Scenario) versus the High Forecast which assumes that all of the activity described under Scenarios 1, 2, and 3 would be realized, resulting in significant increases to both local and itinerant traffic.

Year	Low Forecast (Base)			High Forecast (Scenarios 1+2+3)		
	Local	Itinerant	Total	Local	Itinerant	Total
2009	16,977	7,221	24,198	16,977	7,221	24,198
2015	18,054	9,201	27,255	31,595	13,365	44,960
2020	18,975	10,927	29,902	37,950	16,468	54,418
2025	19,943	12,484	32,427	39,886	18,532	58,418
2030	20,960	14,055	35,015	41,921	20,676	62,597

The high and low forecasts are used in the preparation of the Airport Land Use Plan to assess the capacity of the airfield and determine the 'requirement for' and 'timing of' potential infrastructure improvements. Similarly, the high and low forecasts are used in the development of the financial pro forma to assess possible revenue generation based on aviation activity levels.

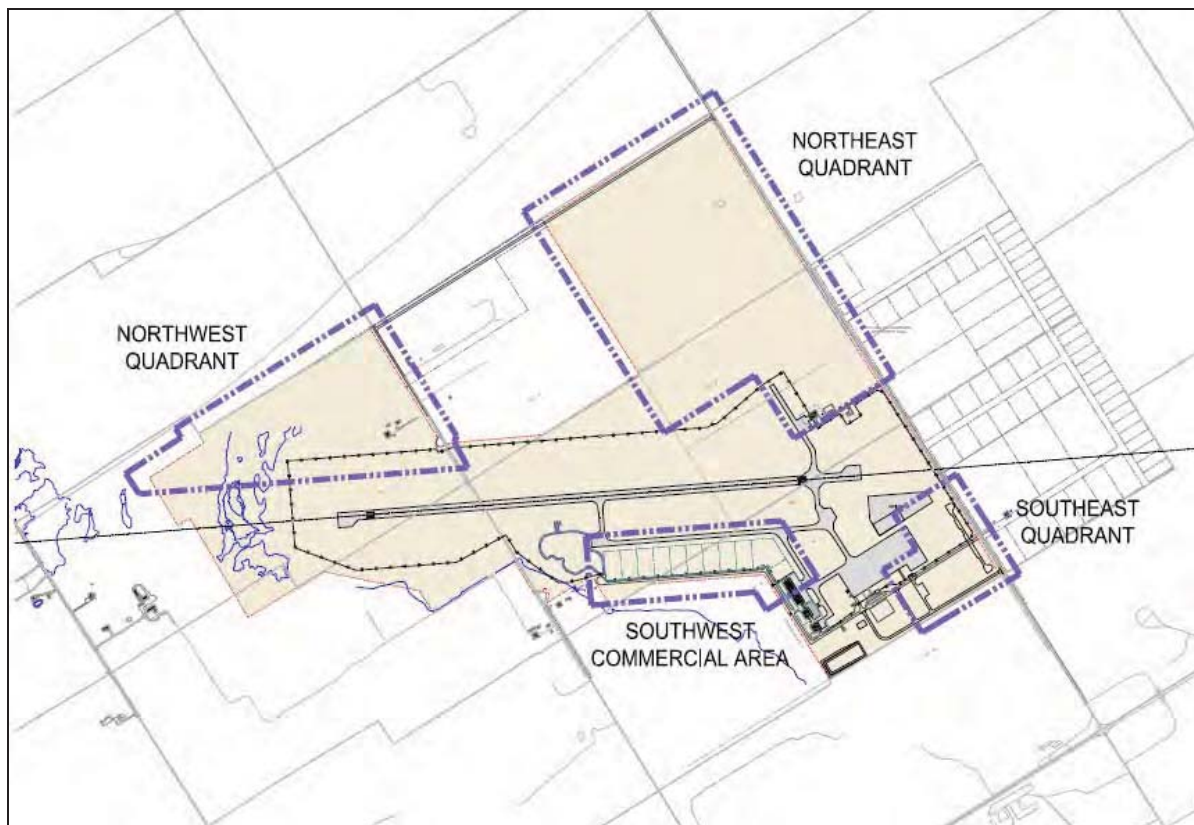
## **4.0 Commercial Development Strategy**

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### **4.1 GENERAL**

The LSRA has approximately 58 ha (142 acres) available for additional airside commercial development and a further 24 ha (60.3 acres) available for non-aviation development.

Future airside commercial development can be accommodated in the southwest, southeast and northeast quadrants of the Airport. Land suitable for non-aviation development is located in the northeast quadrant of the airport. These general areas are highlighted in Figure 14 and described in Section 6, Airport Land Use Plan.



**Figure 14 Potential Areas for Commercial Development**

#### 4.2 LAND DEVELOPMENT PRINCIPLES

It is essential that there is a clear Land Use Plan and set of land development principles to guide and direct the land related activities of LSRA. The increased awareness of LSRA through the Province's Economic Employment District designation combines with the significant capital investment and recent infrastructure development as a timely stage to establish a clear approach and policy for land development at the Airport. It is worth noting that the more aviation activity that occurs at an airport, the more valuable the airport's land becomes. Thus, efforts to generate diversified revenues and secure land development opportunities will be enhanced through actions to stimulate aviation activity.

By maintaining airport land ownership, LSRA has the best assurance of managing the Airport's infrastructure in a safe, secure and effective manner with compatible land uses. In reviewing the aviation industry and airport lands, several related issues have been explored.

The decision to develop airport lands, as is the case with LSRA requires a framework and an approach to attracting interest in the airport lands for development. The positioning of airport lands as a business park is a common practice at airports (particularly larger airports). The business parks are tailored to support the core businesses at the airport.

The framework for airport land development begins with the decision on whether the Airport strictly leases its land or considers land sales, and under what conditions.

##### 4.2.1 The Industry Norm

The industry norm is for airports to lease land and not to sell unless it is surplus to the airport's immediate and long term requirements. This surplus land can be sold for the benefit of generating cash to reinvest in the airport (or put into a reserve fund) and to remove the land from its inventory and reduce its tax (or grant in lieu of tax) exposure and cost. There are occasionally reduced operating costs associated with the sale of airport land.

Land is the only asset category that does not depreciate and the airport can hold onto this asset through leasing while providing the future tenant/lessee the opportunity to develop the 'improvement' on the property that is depreciable. The 'improvement' is the structure or development that is added to the land, consistent with the purpose clause in the lease. Its scope and investment is generally tied to the length of term of the lease. The more significant the capital and the financing requirements to pay for the 'improvement' (or asset) the longer the lease term that is usually granted.

There is occasion where a developer or prospective airport client has difficulty getting financing associated with leasing of land. This is generally not strictly related to the concept of leasing but rather the term and the renewal opportunities associated with the lease. The financing party wants to have security to hold against the loan or mortgage and this can be simplified if it has title to the land. The provision of a legal description and the naming of

the financial institution in any insurance policy against the leased land, as well as their interest in the developed asset, can assist in meeting the security requirements.

#### **4.2.2 Sale of Airport Lands**

The selling of land is referred to as a 'Fee Simple' transaction and it transfers permanent title to the buyer. Fee Simple is "*absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, etc.*" The LSRA has sold interest in its property for development in the past and the template sale agreement has been reviewed. The agreement looks to be a thorough document and provides a mechanism to support development at the Airport.

A change in use of airport property has the potential to endanger the survival of the airport through incompatible land use, encroachment, safety implications, and loss of revenue, all combining to decrease the viability of the airport. This threat is why it is imperative that all parties involved in this process, including users, are familiar with both the implications of such an action and the procedures that have to be followed. Too often, poorly planned development projects on airports have subsequently created a precarious situation for the airport. This occurs when changes to the airport property are made with intentions other than to improve the viability of the airport.

The importance of protecting airport lands against incompatible uses has been demonstrated in the United States, where the Federal Aviation Administration (FAA) will only consider sale of airport land when the action protects, advances, or benefits the public interest in civil aviation. This means that there is a need for the sponsor, users, and the FAA to ascertain the benefit to aviation in real and documented terms. The interests of real-estate developers, businesses, or other non-aviation interests do not take precedence over the aviation interests, especially at a federally obligated airport.

In many cases, use of airport property for non-aviation revenue-producing activities that provide revenue back to the airport is not necessarily an adverse activity. This is especially true when lands in question have no aviation-related value. What is important is that the airport benefits from that activity, usually financially.

#### **4.2.3 The Pro's and Con's of Selling Airport Land**

With respect to Lake Simcoe Regional Airport there are both benefits and drawbacks associated with the sale of airport lands. These are summarized in Table 9.



<b>Table 9 Pro's and Con's of Selling Airport Land</b>	
<b>Pro's of Selling Airport Land</b>	<b>Con's of Selling Airport Land</b>
It generates greater cash up front for the airport	The airport loses title to the land and can lose some control over its environment and protection of its investment in the longer term
It can support airport development in underdeveloped areas of the airport	The revenue potential is mostly up front and then it is reduced compared to the leasing of land
It can be of assistance in financing significant private investments and developments at the airport through title transfer (and land transfer in perpetuity)	The land owner has rights of quiet enjoyment and can create a disruptive environment for the airport while still meeting the terms of sale
It can secure a long term commitment from a desirable partner/investor	The land owner may dispute fees associated with the airport and it may create a challenging environment to isolate or remove access for the owner to the airport once the land is sold
It can reduce the airport's footprint and reduce its tax or grant in lieu of taxes	The land owner may not maintain the property to a degree that is satisfactory to the airport and there is limited ability to enforce on the land owner's property
The airport can minimize its exposure to environmental concerns and liability	Despite purpose intent, the land use could change to be somewhat compatible (ie airside commercial to groundside commercial) but affect the access and utilization of the airfield and its significant investment
	The land owner has the right to re-sell and can benefit from the expansion and development of the airport while not participating in its continuing investment or development

The LSRA has sold land in past and has considered this in its development plans over the next 20 years.

It may be beneficial for LSRA to consider land sales in the northeast area where lots have direct access to Line 7 N. and municipal services, and where there is a sizable amount of land available. To add perspective to this area and its size, it could accommodate several parcels of land, each sufficient to accommodate a major Maintenance, Repair Overhaul (MRO) facility (note: each facility generally requires up to 5 ha of land). With this in mind,

land parcels located east of Taxiway Bravo and adjacent to Line 7 N. could be marketed for sale in an airport related context (possibly even jointly marketed with the land owner across the road with groundside lands only). This land may or may not require airside access.

If there is a significant development that can be secured, and the sale of the land is an incentive to attracting a business proponent, establishing itself at the Airport, the land can be valued at between \$50,000 and \$67,000/acre with the valuation per acre being reduced if the scale of the project is larger. The land would create a major investment in the airport community, create jobs and possibly contribute to further commercial development. If such a land sale required airside access, it would be with a 'through the fence' access license and the cost of developing the airside connections and taxiway could be shared with the Airport or borne entirely by the developer. "Through the Fence" access license and charges are discussed later in this section.

#### **4.2.4 Lease of Airport Lands**

Commercial real estate developers and investors often favor total Fee Simple ownership of income property. The propensity to own - and the emotions attached to it - sometimes can result in misguided decisions and strategies, and lost opportunities. Once developers move beyond the notion of ownership as an investment goal, new opportunities that may not have been visible before, such as ground leases, become apparent. In its most basic form, a ground lease, or land lease, separates the ownership of land from the ownership of the improvements on the land, such as an office building or aircraft hangar. The landowner leases the land to the developer of the improvements, who pays rent for use of the land. Typically ground leases are long term and include set rent escalations, foreclosure rights should the lessee default, and a reversionary right, which means improvements on the property revert to the landowner (in this case the airport) at the end of the lease term. While such lease terms do not particularly favor developers, ground leases offer some distinct advantages.

Ground leases transfer control - not ownership - of a property and for landowners, are considered one of the most secure forms of real estate investment. But landowners are still investors through supply of the land and may be open to developers who offer them a stake in the improvements erected on their land. Generally the land lease will have 20 to 50 year terms to provide the timeframe to properly amortize the investment and provide it with a correlated 'useful life' of the asset. Prior to the end of the lease there may or may not be the opportunity to re-lease the land and/or the improvement. The developer/lessee is responsible for the operating costs associated with the leased property (i.e. parking lot and landscaping/grass cutting) and may contribute to other common use costs (airport maintenance costs or AMC) associated with the airport. The general structure for revenue of the land lease includes the following components:

#### **Airport Revenue Components:**

- Land (Ground) Rent (market based);

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- Improvements (facilities – market based; if the improvement has been developed or transferred to the landlord/airport);
- Common Use Charges (Airport Maintenance Charges);
- Development Levies
- Taxes
- Tenant Operating Cost i.e. utilities by other non-airport agencies

#### **4.2.5 The Pro's and Con's of Leasing Airport Lands**

With respect to Lake Simcoe Regional Airport there are both benefits and drawbacks associated with the leasing of airport lands. These are summarized in Table 10.

<b>Table 10</b> <b>Pro's and Con's of Leasing Airport Lands</b>	
<b>Pro's of Leasing land for airport</b>	<b>Con's of Leasing Airport lands</b>
Lower entry price for the developer/tenant than Fee Simple property	The Lessee improvements revert to the Land owner at end of the Lease and this can cause conflict with Lessees/tenants
Lease payment may be tax deductible where Fee Simple land cannot be depreciated or written off against income	
The airport can generate a good rental income with annual increases that match inflation and cost indexes	There may be some environmental exposure to the land use (although this is passed along to the tenant in the Lease, there is always some residual responsibility of the land owner);
The airport can recover common use charges and taxes on the property with no concerns about payment (terms for disputes and non-payment are clearly spelled out)	
A tenant that has not maintained the property or breaches the conditions of the agreement can be dealt with and can lead to termination of the lease and forfeiture of the improvements	
The airport maintains complete development control over the land and its improvements	
The airport can coordinate the long term development of the airport through its leasing environment while protecting its assets	
The airport can have improvements removed or transferred to the airport in title through vesting	

### **4.3 FEES AND CHARGES FRAMEWORK**

The following principles are identified as a possible framework in establishing a fees and charges environment for LSRA.

#### **4.3.1 General Principles**

- The fee/rate setting methodology for the LSRA should be consistent with current nationally accepted practises.

- As a Municipal Service Corporation, LSRA has the right and responsibility to determine its own economic and commercial policies to ensure its financial independence.
- Rates and charges will take into account national and local policy, commercial competitive rates.

#### **Management Principles**

- Airport management has the right and responsibility to ensure a safe and secure airport operation and to achieve and maintain quality service to users.
- Costs and revenues should be allocated in a manner that is clear and transparent to tenants and aircraft operators. The allocation of costs and revenues to specific operating areas will be the basis for fee setting.
- The Airport will develop non-aeronautical revenue sources to their fullest to attract investment, job creation and revenues to work toward a sustainable aviation operational environment.

#### **Financing Principles**

- The Airport should consider the establishment of a capital reserve fund to provide for asset replacement and expansion to meet forecast demand.
- The Airport will ensure it applies sound economic and business principles to its operations to protect the interests of all users.

#### **4.3.2 Establishing Land Lease Rates**

Most lease rates are established by using local market rates that reflect the supply of and demand for rental land in a local area. The general approach used to determine an appropriate rental rate is to gain information on a lease transaction in the region. This can be difficult with few transactions for comparison so a market capitalization rate is often used. Where sufficiently detailed information is not available, the capitalization rate will be useful in calculating out a rent. It should be noted that competitive airport rates from larger (and high land value) airports can provide a cost advantage for an operator in targeting a prospective tenant.

Capitalization rates, or cap rates, provide a tool for investors to use for roughly valuing a property based on its Net Operating Income. Reciprocally, when there is an indication of the value of property, it can use a cap rate to determine the appropriate rent to charge an occupant. The variables are the land value, the cap rate and the rental rate.

A comparatively lower cap rate for a property would indicate less risk associated with the investment (increasing demand for the product), and a comparatively higher cap rate for a property might indicate more risk (reduced demand for the product). Some factors

considered in assessing risk include creditworthiness of a tenant, term of lease, quality and location of property and general volatility of the market.

***It is recommended that the established land lease rates for Lake Simcoe Regional Airport be 'sustainable' and that they should represent the true market value of the land.***

It should be noted that achieving 'sustainable' land lease rates is the desired objective. However, competition from other airports to attract aviation related business may influence lease rates offered to tenants if the lease rate is significant factor in the decision to relocate at one airport versus another.

Land lease rates should be applied to the entire lot area as they reflect the market value of the land. Some airports have separate land lease rates for the area covered by building footprint and for remaining lands. This practice may lead to a poor utilization of available commercial land and does not recognize that aviation-related tenants often derive significant income from their apron areas.

#### **4.3.3 Land Values – Unserviced Land**

To determine the market value for unserviced land the consultants reviewed a number of current land sale opportunities in the area to serve as a regional proxy. The Springwater Barrie Airpark lands, which are currently listed for sale, are largely un-serviced and are being valued at over \$67,000 per acre.

##### **The Land Value:**

\$67,000 per acre (4,046 m<sup>2</sup> per acre) or land value of \$16.56/ m<sup>2</sup> (\$1.54/ sq. ft.)

##### **The Cap Rate:**

Cap rates generally for land development are between 8 – 12% depending on risk factors to calculate an annual land rent. The lower risk factor (at the 8% level) will generate a lower rent than the higher risk factor and incorporates items such as level of services, availability and length of lease term.

##### **Market Rental Rate:**

In 2006 the Lake Simcoe Regional Airport prepared a Business Case Study which examined opportunities and potential revenues associated with attracting a large aircraft maintenance facility to the Airport. The study identified a value of \$40,000/acre for the unserviced land located in the northeast portion of the Airport. The regional real estate market has seen prices rise by approx 25% during this period and that would result in a price of \$50,000 based on the 2006 business case. Similarly, the South Barrie Industrial Park has unserviced land priced at a range of \$55,000 to \$105,000/acre. The \$67,000 valuation may be at the high end for the unserviced land due to its close proximity to Barrie. Therefore the land valuation of \$50,000/acre or

\$12.36/ m<sup>2</sup> (\$1.14/ft<sup>2</sup>) appears to be more appropriate. With a Cap Rate: at 12% for greater risk, the lease rate would be \$1.46/m<sup>2</sup> or \$0.138/ft<sup>2</sup>.

***It is recommended that a land valuation of \$50,000/acre be used as the basis for determining unserviced land lease rates at the Airport. This translates into a sustainable land lease rate of \$0.138/ft<sup>2</sup> which would be applied to the entire lot area.***

#### **4.3.4 Land Values – Serviced Land**

Lands in the Southwest Commercial Area are serviced and therefore a premium and higher valuation is expected. The location and servicing can provide rates that are triple the unserviced rates in many airports in Canada. The market locally has seen a slight dip in overall activity but values have stayed strong and actually increased. It is difficult finding commercial serviced lands which approximate the conditions associated with the Airport. For a regional market comparison the Mapleview West Business Park in Barrie has been used by the consultants as a regional proxy. Fully serviced lots in the Business Park are selling at \$225,000/acre or \$55.61/m<sup>2</sup> (\$5.17/ft<sup>2</sup>). The risk is lower and demand greater in the urban serviced area, therefore an approach would be to value the land at 75% of the Barrie rates. This would represent a land value of \$168,750 per acre.

##### **The Land Value:**

\$168,750 per acre (4,046 m<sup>2</sup> per acre) or land value of \$41.70/ m<sup>2</sup> (\$3.87/ sq. ft.)

##### **The Cap Rate:**

Cap rates generally for land development are between 8 – 12% depending on risk factors to calculate an annual land rent. The lower risk factor (at the 8% level) will generate a lower rent than the higher risk factor and incorporates items such as level of services, availability and length of lease term.

##### **Market Rental Rate:**

Assuming a market land value of \$168,750 per acre and with a cap rate of 8% which reflects a lower risk factor, the lease rate would be \$3.34/m<sup>2</sup> or \$0.31/ft<sup>2</sup>. It should be noted that a serviced industrial park is being developed on Line 7 N., immediately across from the Airport. Serviced land values for the Airport should be reviewed once lands within the industrial park become available for sale.

***It is recommended that a land valuation of \$168,750/acre be used as the basis for determining serviced land lease rates at the Airport. This translates into a sustainable land lease rate of \$0.31/ft<sup>2</sup> which would be applied to the entire lot area.***

A factor in attracting new aviation activity and businesses to an airport is the airport's competitive positioning with respect to rates and charges. The 'sustainable' land lease rates which are recommended here are generally higher than what other airports may be charging. Most airports do not publicly share their land lease rates in order to protect their



competitive position. However, rates and charges available from a number of regional and municipal airports across Canada suggest an average lease rate of approximately \$0.25/ft<sup>2</sup> for serviced airside land. It should be noted that airports derive revenues from many sources. For those airports where lease rates were available, a significant amount of revenue is derived from charges associated scheduled air services. Similarly, it is difficult to ascertain the competitiveness of the land lease rates without understanding the full spectrum of fees which may be charged to the lessee. This includes airport maintenance charges, sewage and water fees, etc. It should be noted that many airports are reluctant to publish fixed lease rates, but instead indicate in marketing materials that land lease rates are 'negotiable'.

Airports may also charge varying land lease rates based on the amount of land which is leased. As example, one US airport advertises lease rates which begin at \$0.19/ft<sup>2</sup>, for parcels less than .25 acres in size, and reduces to \$0.06/ft<sup>2</sup> for parcels over 50 acres in area.

In going forward, it is recommended that the Airport use the recommended land lease rates as a starting point of any negotiation as they reflect the market value of the land. For larger parcels of land, such as in the northwest area, where lands may be less intensively utilized, a reduced lease rate should be considered. ***A fair market appraisal of airport lands should be undertaken every 5 years.***

#### **4.4 SAMPLE FINANCIAL ANALYSIS – LEASE VS. SALE**

Table 11 provides an illustration of the revenue stream related to the sale versus lease of airport lands. The example utilizes the northeast lands and a prospective large lot of 13 acres or 52,611 m<sup>2</sup> (566,318 ft<sup>2</sup>). The development has been modeled as a large warehousing distribution centre that requires airside access.

<b>Table 11 Sale Versus Lease of Airport Lands</b>	
<b>Lot A – Leasing Example</b>	<b>Lot A – Sales Example</b>
Land rent (unserviced rate): \$0.138/ft <sup>2</sup>	Sale of land: \$50,000 per acre x 13 acres = \$650,000 up front cash
AMC: \$0.10/ft <sup>2</sup>	AMC: \$0.10/ft. <sup>2</sup> Through the Fence: \$0.05/ft. <sup>2</sup>
Annual rent: 566,318 x \$0.238/ft <sup>2</sup> = \$134,783	Annual Charges: 566,318 x \$0.15/ft <sup>2</sup> = \$849,477
25 year lease: \$ 3,369,592 <i>without CPI adjustments or AMC adjustments</i>	25 year term: \$2,123,693 plus \$650,000
Development Levy: \$5.16/ft. <sup>2</sup> assumes 1/3 lot coverage (one time fee) = \$973,093	Development Levy: \$5.16/ft. <sup>2</sup> assumes 1/3 lot coverage (one time fee) = \$973,093
<b>TOTAL = \$4,342,685</b>	<b>TOTAL = \$3,746,785</b>
Airside construction to provide taxiway access to airside although it is the tenant's responsibility to connect into the airside taxiway	The airport may be able to get a cash contribution for any taxiway improvements or extensions that are required for access

In summary, given the example provided in Table 11, the return to the Airport by leasing the property over a twenty-five year period would be approximately \$4,342,685 whereas the return through the sale of the land would be approximately \$3,746,785 for the same period.

***The sale of airport land is generally not recommended. Limited opportunity for land sale may be reserved for lands to the northeast abutting Line 7 N.***

The example has not discounted the leased revenues on an NPV basis but it also has not inflated the annual rents through CPI and annual cost increases either. The tax environment is neutral as the tenants on a lease basis are required to pay the taxes on the land they occupy, as does the owner of the Fee Simple land sale.

There is an opportunity to generate some upfront cash through a land sale and this may be useful in considering a capital project or the establishment of a valuable reserve fund. The long term impacts of sale are generally not as favourable as leasing due to the land still being owned by the Airport at the end of the 25 year term (in the example) and the tighter control on the use of the land and its operations. The tenant may require a longer term for security of their facility investment and that is negotiable based on the size of the development and type of facility.

## **4.5 COMMERCIAL DEVELOPMENT CHARGES**

In addition to land lease / land sale revenues there are a number of additional fees which should be charged to airport lease tenants. These are described in the following sections and summarized in Table 12.

### **4.5.1 Airport Maintenance Charges (AMC)**

The Airport Maintenance Charge (AMC) is presently set at \$0.15/ft<sup>2</sup> and generally applies only to those lands which have been sold and has been used as a source of annual revenues from these properties, in the same manner that other airports may charge a 'Through the Fence' license. Airport Maintenance Charges should be applied to all airport tenants and should be based on the common use costs of the development areas (roads, utility corridors, and public access areas that are utilized by airport tenants and the airport maintains) and divided by the total commercial development area.

***Moving forward, the Airport Maintenance Charge should be applied to all airport properties including the property that has been leased. The AMC should be recalculated every five years with an annual CPI increase to annually adjust the charge.***

Due to the current approach with the AMC, it may require a phased implementation and transition for the fully implemented AMC to be in effect. A first step though to carry out a detailed cost analysis to re-establish the accurate AMC for the site for the 2011 – 2015 period.

A review of Airport Maintenance Charges available from a number of municipal and regional airports suggests a range in fees from \$0.032/ft.<sup>2</sup> to \$0.12/ft.<sup>2</sup>.

Assuming direct annual operating expenses of approximately \$110,000 to maintain the common areas (based on current airport financials) and approximately 9.4 ha of commercial land available in the southeast and southwest quadrants of the Airport, the Airport Maintenance Charge would equate to approximately \$1.17/m<sup>2</sup> or \$0.11/ft.<sup>2</sup>.

### **4.5.2 Airport Development Service Fee**

A one-time Airport Development Service Fee (ADS) would be an administrative fee to cover the cost of the Airport's commercial development review process. All developments occurring on airport lands should be subject to this fee. As an example, Waterloo Regional International Airport has a development service fee of \$1.43/ft.<sup>2</sup> based on building area. This is over and above a development levy imposed by the regional municipality.

An alternative would be for developers to provide a security deposit from which administrative costs would be deducted as incurred with a 10% administrative fee. The remaining amount would then be returned once the project has been completed.

Consideration should be given to implementing a fee of \$1.00/ft<sup>2</sup> and possibly having an upset limit for very large projects.

***It is recommended that an Airport Development Service Fee be implemented for all new development on airport lands.***

#### **4.5.3 Airport Development Levy**

The Airport Development Levy (ADL) was identified in the business case study as a one-time development levy charged on all new building construction to assist with funding airport capital improvement costs. In concurrence with the earlier study a levy, indexed at the annual inflation rate, would be a great tool for capturing funds that could contribute to new capital and/or possibly be set aside for future capital requirements through a reserve fund.

It is assumed that this levy would be directed to the Airport and would be in lieu of a development levy charged by the municipality. For lands sold by the Airport it is assumed that development would continue to be subject to an Airport Development Levy although the lands may no longer be deemed part of the Airport. The current development charge for the Township of Oro-Medonte is \$5.16/ft<sup>2</sup>. This includes a charge of \$1.74/ft.<sup>2</sup> to the County of Simcoe, \$0.23/ft.<sup>2</sup> to education, and \$3.19/ft.<sup>2</sup> to the Township for municipal services. As a comparison, commercial development Waterloo Regional International Airport is subject to regional municipality development fees of approximately \$5.17/ft.<sup>2</sup>. This fee is applied to office, manufacturing and servicing facilities, but excludes floor space used for the 'storage' of aircraft where there is little demand for services.

**It is recommended that new construction on the airport leased land be charged an Airport Development Levy, equivalent to the Township of Oro-Medonte development fee. The Airport Development Levy should exclude building areas which are used exclusively for the 'storage' of aircraft. Hangars used for the maintenance or modification of aircraft would be subject to the Development Levy.**

In this manner, the Airport Development Levy would be charged against those uses which place demands on services and utilities but would not penalize owners of storage hangars or smaller private/T hangars which do not require services and utilities.

If a developer is required to spend capital on installing new airfield infrastructure (such as water, fire and sanitary systems) that will benefit the airport, this fee could be waived or discounted.

It is important that a Memorandum of Understanding (MOU) and contract be established between the Airport and the Township with respect to jurisdiction and responsibilities regarding the levy of development charges.

#### **4.5.4 Water/Sewer Connection Charges**

For commercial lots which benefit from provision of water and sewer, the capital cost of providing such services should, in part be, shouldered by the developer. The cost of recently providing water and sewer services to the Southwest Commercial Area was approximately \$660,000. Of this, the municipality was responsible for approximately one-third of the cost. Carried over the 11 new lots, the municipality's one-third portion of the cost was approximately \$20,000 per lot.

**It is recommended that a Water/Sewer Connection Charge of \$20,000 be implemented for those developments on airport lands which require these services.**

#### **4.5.5 Water/Sewer Connection Charges**

For commercial lots which benefit from provision of a fire service, the capital cost of providing such services should, in part be, shouldered by the developer. It is suggested a fee of \$2,500 be applied to such connections.

#### **4.5.6 Through the Fence License**

For those properties which may be sold by LSRA or are located adjacent to the Airport, and where the land owner has access to the airport infrastructure a 'Through the Fence' License Agreement should apply. The fee is essentially a license which permits land owners the right to access the airport property and utilize its facilities including runways and taxiways. It acknowledges the value that the adjacency and access to the airport adds to the business or private property. As land leases are typically the norm for commercial airside development there are few examples of 'Through the Fence' agreements and no information was available on similar fees charged at other airports. Likely such fees are negotiated on a case by case basis. A fee of \$0.05/ft.<sup>2</sup> per annum based on lot size is a suggested starting point. For a 2 ha (5 acres) site this would equate to approximately \$10,000. Another possibility would be to charge a Through the Fence License based on a percentage of gross revenues.

**It is recommended the Airport Implement a Through the Fence License which would apply to all off-airport lands which have airside access and utilize airport infrastructure.**

#### **4.5.7 Security Deposit**

A Security Deposit is a fee payable to the Airport which is a financial commitment from the developer/applicant to guarantee that the proposed project will be completed on time and meeting the full intent of the project as per the development application. The fee would be 100% refundable with interest upon total completion of the project. Any default in work, damage to Airport or tenant infrastructure/property, or no-performance would be paid out from this deposit after 60 days of no action by the developer/applicant without due cause.

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The security Deposit would not be released until certain items have been submitted to the Airport. They include:

- Legal survey.
- Occupancy Permit from the Township of Oro-Medonte.
- Electrical Inspection Permit.
- As-built drawings.
- Signed Certificate of Completion.

Item No.	Fee Description	Annual or One-Time Fee	Recommended Rate/Unit	Industry Range (Typical)	Notes
1	Land Lease Term		20 – 50 years	20 – 50 years	
2	Serviced Land Lease Rate	Annual	\$0.31/ft. <sup>2</sup> (lot area)	\$0.05 - \$0.65	Based on market land value
3	Unserviced Land Lease Rate	Annual	\$0.138/ft. <sup>2</sup> (lot area)	\$0.03 - \$0.25	Based on market land value
4	Airport Maintenance Charge	Annual	\$0.10/ft. <sup>2</sup> (lot area)	\$0.03 - \$0.12	Based on annual maintenance costs divided by commercial development area
5	Airport Development Service Fee	One Time	\$1.00/ft. <sup>2</sup> (building area)	\$1.42	Applies to all building floor space including aircraft storage

Item No.	Fee Description	Annual or One-Time Fee	Recommended Rate/Unit	Industry Range (Typical)	Notes
6	Airport Development Levy	One Time	\$5.16/ft.2 (building area)		Based on municipal development fee. Excludes floor space used for storage of aircraft.
7	Water/Sewer Connection Fee	One Time	\$20,000	\$20,000	Cost recovery basis
8	Fire Service Connection Fee	One Time	\$2,500	\$2,500	Cost recovery basis
9	Security Deposit	One Time	To be determined		Fully refundable upon successful final completion of the project

**4.6 LAND MARKET POSITIONING OPPORTUNITIES/CONSTRAINTS**

This section addresses the positioning and opportunities available to LSRA and where there may be competitive environments for land lease and sales

**4.6.1 Key Markets**

The key markets for attention are:

- General aviation/corporate aviation markets.
- Aircraft maintenance (MRO).
- Flight training schools and facilities.



- Commercial air services, and
- Other commercial development opportunities (including groundside) that can benefit from the Airport Economic Employment District.

### **General Aviation**

The general aviation and corporate/business market is slowly on the upswing after being impacted by the economic downturn of the past few years. LSRA is well suited for this market. With the recent expansion of the Southwest Commercial Area, LSRA is in a position to accommodate the long-term demand for commercial development which meets the needs of corporate general aviation. In addition, the recent expansion of the air terminal building includes facilities which provide a high level of service to itinerant corporate travelers and flight crews.

The growth of corporate general aviation will be dependent on the economic growth of the surrounding region and areas north of Toronto. As air carrier activity increases at Toronto-Pearson, it is likely the corporate/business aviation segment will become increasingly impacted and inconvenienced by landing/takeoff restrictions as runway slots become filled with commercial air carrier operations. When this happens there will be a desire on the part of some corporate operators to migrate to other airports in the region which are less restricted. Lake Simcoe Regional Airport, could gain from this potential migration as it has the capability to accommodate large corporate jets.

Competition for corporate general aviation activity in the Greater Toronto Area will come from Oshawa Municipal Airport, Waterloo Regional International Airport, Hamilton International Airport, and to a lesser extent Billy Bishop Toronto City Airport. Both Oshawa and Toronto City Airports are somewhat constrained by their current runway lengths of 4,000 ft. Toronto City Airport is further constrained by its ban on jet activity and runway length restrictions. Only Hamilton and Waterloo Airports have the capability to fully accommodate corporate jet activity.

With respect to lighter general aviation, there are no available hangars at LSRA suitable for light general aviation/recreational aircraft. With the pending closure of Buttonville Airport and Springwater Barrie Airpark, there could be an increase in demand for both aircraft tie-downs and T hangar development. With superior airport infrastructure and services, the potential development of T hangars at LSRA may also attract recreational aircraft from other airports in the region. Although this segment of general aviation in itself often generates little revenue for the Airport, the presence of a strong contingent of aircraft based at the Airport may attract aviation businesses and services which in turn do generate revenue. This includes aircraft maintenance and avionics repairs, aircraft/parts sales. As a general rule, every 25 aircraft based at an airport will generate 1 full time position with respect to aircraft maintenance.

Given the pending airport closures, LSRA should accommodate opportunities in the short-term for the construction of private hangars and the development of T hangars. This type of development should not be accommodated in the Southwest Commercial

Area, which is better suited to aviation-related businesses and larger scale corporate hangars, but rather in a separate section of the airport.

### **Maintenance, Repair and Overhaul (MRO)**

Capturing a major MRO operation will require a solid benefits package as well as strong indication that there is a market to serve in the region. This type of operation will not locate at the airport if there are no aircraft to service. This can be a major 'game changer' for the Airport if it could attract the interest and investment of a major maintenance facility in this category. It is the largest potential for job creation as well and there is a need to assure the investor/operator that there are trained labour markets available in the region.

In North America the business aviation MRO market is worth about \$4.1 billion. Between 2009 and 2018 this market is expected to grow by approximately 7.2% annually, with the value of work undertaken nearly doubling.<sup>6</sup> The commercial airline MRO market is worth approximately \$40 billion worldwide and work is expected to increase by approximately 5.6% annually over the next 10 years<sup>7</sup>.

There is strong competition from other airports for this type of activity. Peterborough Airport has an established MRO facility, and both Waterloo and Windsor Airports have recently attracted new MRO operations. There is also strong competition from large MRO facilities located at airports in northern New York State.

Despite the competition, LSRA is well positioned from an infrastructure standpoint to accommodate an MRO. With the recent partial extension of Taxiway Bravo, a large lot development area of approximately 4.6ha is available in the northeast quadrant of the Airport. This site has both airside access and direct landside access from Line 7 N. This lot is sufficient to accommodate immediate requirements. When this lot falls under development, Taxiway Bravo could be extended to the north to provide airside access to additional large lot commercial development.

### **Flight Training**

One of the ramifications of the Buttonville Airport closure is the relocation challenge facing their existing tenants. Some of the tenant mix would be attractive additions to the LSRA tenant mix. The potential relocation of flight training activities to LSRA could create a certain critical mass of aviation activity and use of facilities such as parking, concessions, fuel and other supplies geared to the pilot market. There could also be opportunities for a flight training school to integrate its activities with the Aviation Management Program at Georgian College, which in turn could create further synergies for LSRA in terms of academic facilities. A significant increase in flight training activity at LSRA would have to be carefully reviewed as it may be a constraint to other activities at the Airport.

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<sup>6</sup> Aero Strategy Management Consulting, 2010

<sup>7</sup> Aviation Week, 2006

Within the Greater Toronto Area and Simcoe County there are a number of airports that could provide competition to LSRA with respect to flight training activity. These airports include Oshawa Municipal Airport, Brampton Airport, Burlington Airpark, Waterloo Regional International Airport, Collingwood Airport and Midland/Huron Airport.

The proximity of LSRA to the Greater Toronto Area combined with the Airport's excellent infrastructure and availability of commercial lots, puts the Airport in a good competitive position. Flight training operations can easily be accommodated in the newly expanded Southwest Commercial Development Area. While the newly constructed partial parallel taxiway will improve operational safety and efficiency considerably at LSRA, the lack of a full parallel taxiway may pose a longer-term constraint for circuit training which may detract busier flying schools from operating from LSRA.

It is important that any increases in flight training be balanced with other aviation activities. A significant increase in flight training activity, especially circuit training, could negatively impact other aviation activities, such as corporate/business aviation and scheduled air service, which utilize heavier and faster types of aircraft. Flight training often consumes significant airport resources yet, with the exception of fuel sales, provides little in the way of airport revenues.

#### **Commercial Air Services**

The recent extension of the runway and expansion of the airport terminal building enhances opportunities for scheduled commercial air services. This opportunity is discussed in Section 5.0.

#### **Other Commercial Development Opportunities**

Portions of the airport lands have limited airside access or are not suited for aviation uses. These areas should be developed for non-aviation uses. This could include the warehousing, light industrial or even the possibility of a solar farm development. Lands in the northwest quadrant of the Airport may have limited potential in the short to medium term for aviation related uses. Similarly, lands in the northeast section of the Airport which are adjacent to Line 7 N. could also be considered for non-aviation development. However, the development of non-aviation uses in this area could impede long term opportunities for aviation-related uses in the northeast quadrant and should only be considered if there is a substantial benefit to the municipality in terms of tax base and employment.

### **4.7 COMMERCIAL DEVELOPMENT SWOTCH ANALYSIS**

As part of developing this Strategic Commercial Development Plan for LSRA, the consultants carried out a SWOTCH analysis. This analysis reviewed LSRA in light of perceived Strengths, Weaknesses, Opportunities, Threats, and Challenges. They include:

#### 4.7.1 Strengths

- Excellent infrastructure and facilities capable of supporting a wide range of commercial development opportunities.
- Serviced lands available for immediate commercial development.
- Ample lands on which to expand commercial development in the longer term
- Commercial lands available with various lot depths to accommodate a variety of commercial uses.
- Airport lands adjacent to a municipal road provide opportunities for the Airport to lease or sell the land.

#### 4.7.2 Weaknesses

- Weak short term growth projections for the general aviation market.
- Lack of established aircraft maintenance facilities at the Airport.
- Lack of local pool of skilled labour to support MRO type operations.
- Lack of local training programs for airframe/power plant mechanics.

#### 4.7.3 Opportunities

- Pending closure of Buttonville Airport and Barrie Airpark may force activity, including aviation related businesses to relocate.
- Development of light industrial park located across Line 7 N. may introduce new synergies which may encourage commercial development at the Airport.
- Proximity of Georgian College may precipitate opportunities to attract activities related to the Aviation Management program. This could include development of aircraft maintenance trades programs and flight training.

#### 4.7.4 Threats

- Competition from other airports in the Greater Toronto Area for aviation-related businesses.

#### 4.7.5 Challenges

- Creating greater awareness within the aviation community regarding LSRA and its attributes, and expanding marketing/promotional efforts.
- Building momentum with respect to aviation activity.

- Development of branded program by the Airport and the municipality to market commercial development opportunities at the Airport.

In summary, LSRA is well positioned to accommodate new commercial development and a broad mix of aviation related businesses. The greatest challenge to achieving growth objectives in the short term may be the weak economy and competition from other regional airports with similar aspirations to capture limited market share.

#### 4.8 COMMERCIAL DEVELOPMENT STRATEGY

As a general aviation airport LSRA can cater to a diverse cross section of aviation-related businesses and activities. At present, there is a single commercial development area in which to accommodate new business interests. This is the Southwest Commercial Area located south of the runway and west of the terminal area. The Southwest Commercial area was recently expanded to accommodate an additional 11 commercial lots on 6.9 ha of land. These lots are fully serviced and have direct landside and airside access. Given the average lot size of 57 m x 102 m, and the immediate proximity to the parallel taxiway these lots are ideally suited for medium sized general aviation businesses, executive charter operators, corporate flight departments, flight training schools, and other activities which generate a high level of aircraft activity.

In addition to the Southwest Commercial area, the Airport has lands available in the southeast and northeast quadrants of the Airport which would also be suitable for commercial development. The lands located in the southeast quadrant have excellent access to the Airport's main entrance and are located adjacent to an existing tie-down area for light aircraft. A portion of the land is somewhat height restricted because of the approach zoning to Runway 28.

The southeast quadrant would make an ideal area in which to locate prestige private hangars which would cater to private/corporate aircraft owners with single engine or light twin engine aircraft.

The northeast quadrant is a large area suitable for large scale commercial developments including MRO facilities, warehousing, and airline maintenance facilities. The lands located east of Taxiway Bravo would be ideal for large lot development. As these lots have direct access to Line 7 N. They could potentially be sold without impacting the overall integrity of the Airport.

Lands located in the northwest quadrant of the Airport are less suitable for aviation related commercial development. This area is physically separated from the active areas of the Airport and is best reserved for non-airport uses. At present, much of the land area is wetland and not suitable for development. Some consideration has been given to potential utilizing this area as a solar farm.

#### 4.9 COMMERCIAL LAND ABSORPTION

The demand for commercial land at Lake Simcoe Regional Airport is dependent on various factors including aviation activity levels, demand for aviation-related businesses and services, and global and regional economic factors. Historically, the demand for commercial land at LSRA has been relatively low. At present, there are four commercial developments located on the Airport. The largest of these developments is the Weatherwise hangar, which is currently underutilized and available for sale.

Events which could increase the demand for commercial land development in the short term include the closure of Buttonville Airport and Springwater Barrie Airpark. Assuming that 20% of the commercial development at Buttonville Airport relocates to LSRA, this would equate to a demand of approximately 1.5 ha of land which is roughly three lots in the Southwest Commercial Area. Commercial development arising from the closure of Springwater Barrie Airpark would likely be in the form of T hangars. Based on the existing facilities at that airport there may be a demand for approximately 0.3 – 0.5 ha of land if the majority of aircraft owners relocated to LSRA.

The recent expansion of the runway provides LSRA with the opportunity to attract larger aviation enterprises such as a MRO or airline maintenance base. Such facilities often require land areas of 5 ha or more on which to develop. The potential demand for land at LSRA cannot be predicted. However, the Airport ought to accommodate for such development should the opportunity arise.

With approximately 6.6 ha of serviced land available for development in the Southwest Commercial Area, LSRA is likely well positioned to accommodate commercial development for the next 10 to 20 years. Similarly, with the recent extension of Taxiway Bravo, the Airport is positioned to accommodate a large commercial development should the demand arise.

#### 4.10 SERVICING

With the recent expansion of municipal services at the Airport the potential exists for all commercial development areas of the Airport to be provided with services and utilities. The following describes the servicing requirements of the various areas identified for potential development

##### **Southwest Commercial Area**

This area is fully serviced to municipal standards.

##### **Southwest Quadrant**

The southeast quadrant of the Airport could be serviced by the existing water, fire and sanitary system subject to the proposed land use as there may be some excess capacity in the existing systems. Alternatively the area could be developed with limited or no services. For example, some hangar developments include only communal water



tapping points or centralized washrooms. It may be advisable that any proposal be made subject to a stand-alone assessment of the servicing requirements and that the Airport make these costs a part of the lease arrangements. The LSRA should become the owner of the system and operate it similar to their existing systems by the City and Township authorities. As such, the LSRA would need to review and approve the proposal.

#### **Northeast Quadrant**

Northeast Commercial Area is only serviced by an extension of the fire main from the Airport's fire protection system. Other services including stormwater management would need to be designed as part of any future development proposals. The existing water and sanitary services cannot accommodate this expansion. Responsibility of installation and operation of these systems would likely be that of the Tenant in this particular situation.

The LSRA needs to monitor expansion of any regional water or sanitary sewer systems including any proposals made for the lands east of the airport. Where practical, interconnection to these services may be beneficial to expanding servicing within the airport lands and these opportunities should be explored and carefully assessed.

### **4.11 COMMERCIAL DEVELOPMENT RECOMMENDATIONS**

#### **4.11.1 Airport Land Tenure Principles**

- All commercial develop at the Airport should be based on the premise that airport lands shall be leased. The exception to this is those lands located north of Runway 10-28 and adjacent to Line 7 N.
- For those lands located north of Runway 10-28 and adjacent to Line 7 N., the Airport should only sell the land when the intended use presents an economic benefit to the community in terms of a strong tax base and long-term employment, and in situations where the developer will not consider leasing land. Examples of potential uses include MRO facilities, airline support facilities and air cargo/courier facilities.
- In the southeast area of the Airport consideration should be given to the development of condominium-style T hangar developments for light general aviation, whereby individual hangar units could be sold, but lands would continue to be leased from the Airport. Only minimal services would be required for T hanger type development. The initial phases could be constructed north of the existing airport access road. With the relocation of the access road to the south, this airside development could then expand to the south.



#### 4.11.2 Commercial Development Principles

- The Southwest Commercial Area should continue to be developed for corporate general aviation needs. Development in this area would cater to corporate/business aviation operators, rotary wing operators, aircraft servicing and maintenance operations, flight schools, executive air charter services, aircraft sales. It is likely this commercial area will satisfy commercial demands for the next 10-15 years. This area is fully serviced and LSRA can recover capital and operating costs through application of the AMC and ADL.
- A Southeast Commercial Area should be developed in the short to medium term which would cater to light general aviation and recreational pilots. Development in this area would include expanded paved aircraft tie-down areas and T hangar development. Short term demand for these types of facilities may come from the closure of Buttonville Airport and Springwater Barrie Airpark.

The first phase of development could be constructed north of the existing airport access road. The second phase of development would require the relocation of the access road to the south.

- A Northeast Commercial Area should be developed in the long term which would cater to operators/businesses requiring large lot sizes. The east side of Taxiway would be developed for large lot development (5 ha) that would cater to businesses such as MRO facilities, airline maintenance facilities, and air cargo/courier operations. The west side of Taxiway Bravo should be developed in the very long term for general aviation operators, especially those operating Code C aircraft.

#### 4.12 COMMERCIAL DEVELOPMENT INITIATIVES / NEXT STEPS

Efforts to promote commercial development at Lake Simcoe Regional Airport should include the following initiatives:

- The Airport should consider creating a full-time Business Development Officer position at the Airport who would be responsible for promotion and marketing as well as liaison with existing and prospective tenants on business related matters.
- The Airport and municipality should jointly promote the Northeast Commercial Development area as an 'Airport Industrial Park'. Possible collaborative efforts could be explored with the land owner on the east side of the 7 Line N.
- The Airport should finalize and publicize the availability of a Commercial Development Opportunities Brochure that can be used to promote commercial development at the Airport. Refer to Appendix B for a suggested brochure outline and a site development application guideline.

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- Plan for and implement as demand and budget permits the relocation of the entrance road to the ATB to create higher value airside land and parcels that could be used for general aviation and a T hangar strategy. This type of development would also be easy to convert to higher value terminal expansion and main apron activity if scheduled traffic really started to grow rapidly.
- Explore the financial viability of constructing T hangars which could then be sold or leased to private aircraft owners. A hesitation for aircraft owners to relocate to LSRA from Buttonville Airport and Springwater Barrie Airpark may be the lack of affordable aircraft storage.
- Consideration also should be given to leasing the Southeast Commercial Area to a third party developer who in turn would develop the area for private hangars.
- Consider the establishment of a solar farm on the north of the runway to create a revenue stream for the Airport as well as providing its tenants with a cost effective source of power.
- Review and update all rates and charges for land development and regularly compare to regional airports in Ontario for a market comparison. This should be done on a revolving period of no more than two years or as significant changes occur in the economy.
- Undertake a land valuation review every five years to establish current market value of airport lands.

## **5.0 Air Service Strategy**

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### **5.1 GENERAL**

A strategic stage in the development of Lake Simcoe Regional Airport would be the development of scheduled air service. This would have enormous benefits to both the surrounding community and to the Airport. To the community, the introduction of air service provides enhanced access which in a global economy is a prerequisite for attracting economic investment and generating long term employment opportunities. To the Airport the provision of schedule air service provides an entirely new stream of potential revenues including additional landing fees, airport improvement fees (AIF), terminal charges and leasing fees.

With a catchment area of approximately 450,000, the community is approaching a threshold where, despite the proximity to Toronto Pearson international Airport, there may be a potential market for regional air service. The success of scheduled air service at Waterloo Regional International Airport supports an argument that secondary markets within the Greater Toronto Area can sustain passenger service over the long term.

The following sections describe the potential market and opportunities and constraints associated with scheduled air services at LSRA.

### **5.2 PASSENGER MARKET DEMAND**

In order to determine the potential demand for air service travel from the LSRA catchment area a travel demand study was undertaken by the consultants. Using Origin & Destination (O&D) information obtained from Sabre Inc. using their Global Distribution System<sup>8</sup> (GDS) data, the consultants were able to approximate the travel demand from postal code areas identified as a potential air service catchment area for LSRA.

O&D data was obtained for the following postal codes:

- Barrie – (L4M, L4N)
- Oro-Medonte (L0L)
- Orillia (L3V)
- Collingwood (L9Y)
- Penetanguishene (L9Y)
- Midland (L4R)

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<sup>8</sup> A Global Distribution system is a worldwide computerized reservation network used as a single point of access for reserving airline seats, hotel rooms, rental cars, and other travel related items by travel agents, online reservation sites, and large corporations. The premier GDS are Amadeus, Galileo, Sabre, and Worldspan

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It should be noted that postal codes for CFB Borden/Angus and Innisfil were also included in the O&D survey but no travel data was available from Sabre Inc. Similarly, travel data was also not available for a number of the rural postal codes within Simcoe County. While this data was not available, the remaining dataset was of sufficient completeness to permit a reasonable analysis to be undertaken.

The complete data set provided by Sabre Inc. for the postal areas identified above resulted in approximately 47,450 passengers travelling within a 12 month period from November, 2009 to November, 2010. The consultants limited the data to recorded trips from either Toronto Pearson International Airport (YYZ) or Ottawa International Airport (YOW). With the exception of 4 trips recorded for Waterloo Regional International Airport (YKF), there was no recorded data for other airports within the Golden Horseshoe area of Ontario. Ottawa International Airport was included in the analysis as there was anecdotal information suggesting people from the catchment area are directly using this airport.

Sabre Inc. has a approximately 44.7% market share of all GDS systems in North America and according to SITA, a leading air transport IT firm, 26% of all airline bookings in 2010 were done directly through internet booking sites and airline websites which bypass GDS's. Given that the Sabre data represents 44.7% of all GDS bookings, the total number of bookings from the LSRA catchment area through DGS systems would represent approximately 106,152 two-way trips. If the total GDS bookings represent 74% of total trips, then the total number of annual trips from the LSRA catchment area would be approximately 143,448. This means that a multiplication factor of 3.02 would represent a rough approximation of the total annual trips extrapolated from the Sabre data.

The Sabre Inc data only includes ticket sales where the study area postal codes were identified as the point of sale. Ticket sales where the purchase is made through a corporate or governmental head office located outside of the study area may not identify the appropriate postal code origin of the individual traveler. As well, the Sabre Inc. data also does not include inbound trips which originate elsewhere (i.e. Ottawa or Montreal) and where the LSRA catchment area is the point of destination. Therefore, estimates of potential demand are likely on the low side.

It should also be noted that the multiplication factor used to estimate total travel demand data is a very rough estimation of local travel demand. It does not account for local practices with respect to direct bookings which could differ from the averages used in the multiplication factor.

From the O&D Sabre Inc. data, a ranked list of air travel destinations was created. This list, provided in Table 13 identifies the most popular business destinations located within North America. The annual passenger numbers are for one-way trips. It should be understood that the information presented is more meaningful for identifying key potential markets, rather than an estimation of actual annual passenger volumes. Table 13 provides only a rough estimate of the potential outbound travel demand and does not take into account demand from those individuals traveling to the Barrie/Orillia area.

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<b>Rank</b>	<b>Destination</b>	<b>No. Annual Passengers (Sabre Data Only)</b>	<b>Extrapolated Annual Passengers ( x 3.02 Factor)</b>
1	Montreal	1138	3467
2	Ottawa	742	2241
3	New York	452	1365
4	Detroit	262	791
5	Chicago	133	402
6	Boston	81	245
7	Quebec City	58	175
8	Thunder Bay	46	139
9	London (ON)	41	124
10	Washington	36	109
11	Philadelphia	29	88
12	Cleveland	21	63
13	Sault Ste. Marie	20	60
14	Timmins	18	54
15	Sudbury	12	36
16	Pittsburg	7	21
17	Windsor	6	18
18	Indianapolis	6	18
19	North Bay	4	12

Popular leisure destinations such as Orlando or Las Vegas have not been included. These destinations were not incorporated in the analysis because the consultants believe that initially any start up of air service from LSRA would likely be regional in nature (9-19 seat aircraft) and would cater primarily to the business market. At present, LSRA does not have the runway length nor the terminal capacity to accommodate charter flights to leisure destinations (Caribbean, southern US) which typically operate using narrow-body jet aircraft with 150+ seat capacity and runway lengths of 7,000 ft. or more. Nor does the existing terminal have the capability to accommodate CATSA pre-board passenger and baggage screening processes. Therefore, initially all flights operating from LSRA would be non-secure in nature (no passenger or baggage screening).

The two most significant domestic destinations derived from the Sabre data are Montreal and Ottawa. These are followed by Quebec City and Thunder Bay. The most significant US destinations include New York, Detroit, Chicago, and Boston.

Assuming an annual demand of approximately 3,500 passengers to Montreal and 2,250 passengers to Ottawa, the success of initiating scheduled air service would depend on the ability of LSRA to capture market share travelling to these destinations.

Assuming the numbers provided in Table 3 represent 70% of the total inbound/outbound market, and that a startup air service could initially capture a 20% share of the local air travel market to these destinations, there would be an annual demand for approximately 1000 passengers to Montreal and 650 passengers to Ottawa. In addition, there could also

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be demand from passengers connecting through Montreal/Ottawa to destinations in eastern Canada and the US, including New York, Boston and Quebec City, and possibly even longer haul flights to Europe and the Middle East.

On a daily basis, this demand would not likely support flights originating from LSRA. However, it may attract a carrier wishing to add LSRA as an intermediate stop on an existing or new air service which originates from another community.

### 5.3 COMPETING TRAVEL ANALYSIS

Currently, the majority of travelers from the Barrie area utilize Toronto-Pearson as their airport of origin. Assuming Ottawa as a potential destination to be served from LSRA, Table 14 compares the cost and travel time associated with a typical flight to Ottawa.

Factor	Lake Simcoe Regional Airport	Toronto Pearson	Ottawa
Driving Time to Airport (Return)	20 min.	140 min.	11 hours
Travel Distance to Airport (Return)	30 km	180 km	870 km
Driving Cost to/from Airport @ 0.39/km*	\$11.70	\$70.20	\$339.30
Parking Cost	-	\$56.00**	-
Return Air Fare (2 week advance including taxes)	\$400 - \$500***	\$400 - \$730	-
<b>Total Estimated Trip Cost</b>	<b>\$511.70</b>	<b>\$856.20</b>	<b>\$339.30</b>
<p>* Source: CAA , 2010 (compact vehicle operating costs, includes insurance, depreciation, finance costs, licensing)</p> <p>** Source: GTAA (Assumes two days parking @ \$28/day).</p> <p>*** Assumes competitive air fare with lowest cost from Toronto Pearson. Note: Bearskin Airline's one-way fare to Ottawa from Waterloo Regional International Airport is \$196.00 including taxes.</p>			

As an example, Bearskin Airlines presently offers a one-way air fare of \$195.63 (including fees and taxes) from Waterloo Regional International Airport to Ottawa, which is competitive with the lowest fares offered by Air Canada and WestJet from Toronto-Pearson. Assuming the same competitive positioning would exist with respect to air fares out of LSRA, the return travel cost to a Barrie passenger departing through Toronto-Pearson would be approximately \$526 versus approximately \$412 from LSRA. The travel time saving in utilizing LSRA would likely be in excess of three to four hours.

In addition to the convenience of having a local air service, there would be both cost and travel time advantages of using LSRA versus Toronto-Pearson. The primary disadvantages of flying from LSRA would be the lack of frequency in flights (which in turn could increase inconvenience and extend total travel time) and possible discomfort associated with flying in a small 19-seat regional aircraft.

Kitchener/Waterloo serves as a good example of how a community within the shadow of Toronto-Pearson International Airport has been able to attract and sustain scheduled air services. At roughly the same distance from Toronto, the Kitchener/Waterloo/Cambridge Census Metropolitan Area (CMA) has a combined population of 493,182 with an average household income of \$88,280. Waterloo Regional International Airport is served domestically by both WestJet Airlines (Calgary) and Bearskin Airlines (Ottawa), and during the winter season by Sunwing Airlines, a leisure charter airline.

Despite the close proximity of Toronto-Pearson, Waterloo Regional International Airport has sustained and even expanded its scheduled air services. For airlines, the airport offers a lower cost, less congested alternative to Toronto-Pearson. For air travelers, they can take advantage of competitively priced air fares while avoiding the congestion of Highway 401, high parking charges, and the long security queues and potential delays associated with Terminals 1 and 3, all advantages that LSRA can offer too.

#### 5.4 AIR SERVICE SWOTCH ANALYSIS

In undertaking an Air Service Assessment for Lake Simcoe Regional Airport, the consultants carried out a SWOTCH analysis. This analysis reviewed the Airport in light of perceived Strengths, Weaknesses, Opportunities, Threats, and Challenges. These include:

##### 5.4.1 Strengths

###### ➤ **Excellent airport facilities**

The Airport's existing infrastructure is more than adequate in meeting the operational requirements of a short-haul regional air service. From an airside perspective the current runway length of 1,829 (6001 ft.) is capable of accommodating a wide range regional turboprop and jet aircraft. The aircraft types typically utilized for short haul regional operations, such as the Fairchild Metro II and Beechcraft 1900D, can operate from runways less than 1524m (5,000 ft.) in length. The terminal apron at LSRA is generously sized to a commercial air carrier in addition to a mix of corporate aircraft.

###### ➤ **Modern terminal facility that can be adapted to accommodate limited non-secure scheduled air service.**

The recent terminal expansion has included provision for an airline check-in counter and waiting area suitable for a 19 seat aircraft. Although there is no provision for a baggage handling system in the terminal, the movement of baggage could be accommodated with the use of a small hand cart. An existing elevator provides vertical circulation between the waiting area and the apron level.

###### ➤ **Direct landside access**

The Airport is strategically located on Highway 11 between the cities of Barrie and Orillia, providing short driving distances from these regional population centres. The



Highway also provides good access to the Muskoka tourism/recreational area and cities such as Gravenhurst and Bracebridge. At the Airport, ample vehicle parking is available at the terminal

➤ **Comparatively low airport operating costs and charges for the air carrier.**

As compared to larger hub airports such as Toronto-Pearson International Airport, an airline's operating costs associated with LSRA would be relatively low. This in turn provides air carrier's with an opportunity to provide competitive air fares with a higher ticket yield.

#### 5.4.2 Weaknesses

➤ **Terminal building limitations/requirements for passenger screening**

Given the existing terminal infrastructure, commercial flights would have to be non-secure in nature. This requires airports at route destinations to have the capability to accept non-secure flights. Currently, neither Ottawa nor Montreal Airport has the capability to accommodate non-secure flights at their terminals. In an initial discussion with Bearskin Airlines, it was noted that the presence of CATSA screening process would be a prerequisite for them to consider operating at LSRA.

To accommodate passenger and baggage screening, additional terminal facilities would be required. These facilities would include a pre-board passenger screening area, sterile passenger holdroom, outbound baggage system with hold bag screening device, and inbound baggage claim area. An area of approximately 500 - 600 m<sup>2</sup> would be required. In order to accommodate secure air services CATSA personnel would have to be present in the terminal in order to provide screening of both passengers and baggage.

To accommodate larger flights, such as leisure charters to the southern USA and the Caribbean a substantially larger terminal facility would be required which could accommodate Canadian Border Services Agency (CBSA) customs and immigration facilities. An International Arrivals facility capable of processing 100 -150 seat aircraft would require approximately 800 - 1000m<sup>2</sup> of space, including the sterile baggage claim area.

➤ **The current runway length limits longer flights.**

The current runway length of 1,829 will adequately accommodate corporate business aircraft and regional jets/turboprop aircraft. However, the runway length is not sufficient to accommodate narrowbody jet aircraft on long flights to the southern Florida or the Caribbean. A minimum runway length of at least 7,000 ft. would typically be required. Waterloo recently expanded their primary runway to 7,000 ft. to accommodate this market.

### **5.4.3 Opportunities**

➤ **Increasing traffic congestion and delays on Highway 400**

Increased traffic congestion on Highway 400 will ultimately add to delays already experienced by Barrie area travelers using Toronto-Pearson International Airport. These delays will only increase in the future as development north of Toronto continues to expand.

➤ **A rapidly growing market**

The existing population of Simcoe County is nearly 500,000 and is anticipated to increase to nearly 700,000 by 2031. The immediate catchment area is approximately 300,000 with the County of Simcoe having a catchment area of approximately 450,000. This population is likely of sufficient size to attract an air carrier.

➤ **ACAP Funding**

With scheduled passenger movements the Airport would be eligible for ACAP funding from Transport Canada. To qualify the Airport must be eligible for certification or be certified, and have a minimum of 1,000 annual passengers for three consecutive years. Projects eligible for ACAP funding include: airside safety-related projects such as pavement rehabilitations; heavy airside mobile equipment; and safety-related renovations to terminal buildings.

### **5.4.4 Threats**

➤ **Established travel habits/leakage to Toronto-Pearson International Airport**

Air travelers in the LSRA catchment area have established travel routines and preferences using Toronto-Pearson International Airport. The multitude of direct air routes, the frequency of flights and airline frequent flyer programs are all reasons why air travelers will continue to utilize Toronto-Pearson International airport despite the inconvenience and cost of getting there.

### **5.4.5 Challenges**

➤ **Potentially limited passenger demand**

Based on the available travel demand data from Sabre Inc., the initial demand for regional air services to regional destinations such as Ottawa or Montreal may be limited such that the introduction of air service would only be viable if LSRA were developed as an intermediate stop on a route serving other communities, and/or if the service were subsidized.

➤ **Initial air services limited to a single route and low frequency**

Given the travel demand that may be generated at the outset, initial air services would likely be limited to a single route with potentially only two flights per day. This may not be enough to generate sufficient demand required to sustain scheduled air service.

➤ **Building local support for scheduled air service**

The successful introduction of local air service will require the strong support of the local community, politicians and businesses. A focus group comprised of representatives from the Airport, Chambers of Commerce, local economic development departments, and local businesses needs to be established to actively attract the interests of an air carrier.

## 5.5 POTENTIAL AIR SERVICE MARKETS

Given the opportunities and constraints identified in the SWOTCH analysis, a likely scenario for the initiation of scheduled air services at LSRA would be a limited service operating to Ottawa or Montreal. With CFB Borden located in close proximity to the Airport, there may actually be a stronger demand for Ottawa as a destination. Ottawa also has a modern, user-friendly terminal facility, and has direct connections to many eastern Canadian and US destinations including Quebec City, Moncton, Halifax, Boston and New York. The airport also has direct international connections to London, England and Frankfurt, Germany.

Air service from LSRA would likely be operated by regional air carriers utilizing 19 seat commuter aircraft such as the Beechcraft 1900D and the Fairchild Metro II.



Metro II

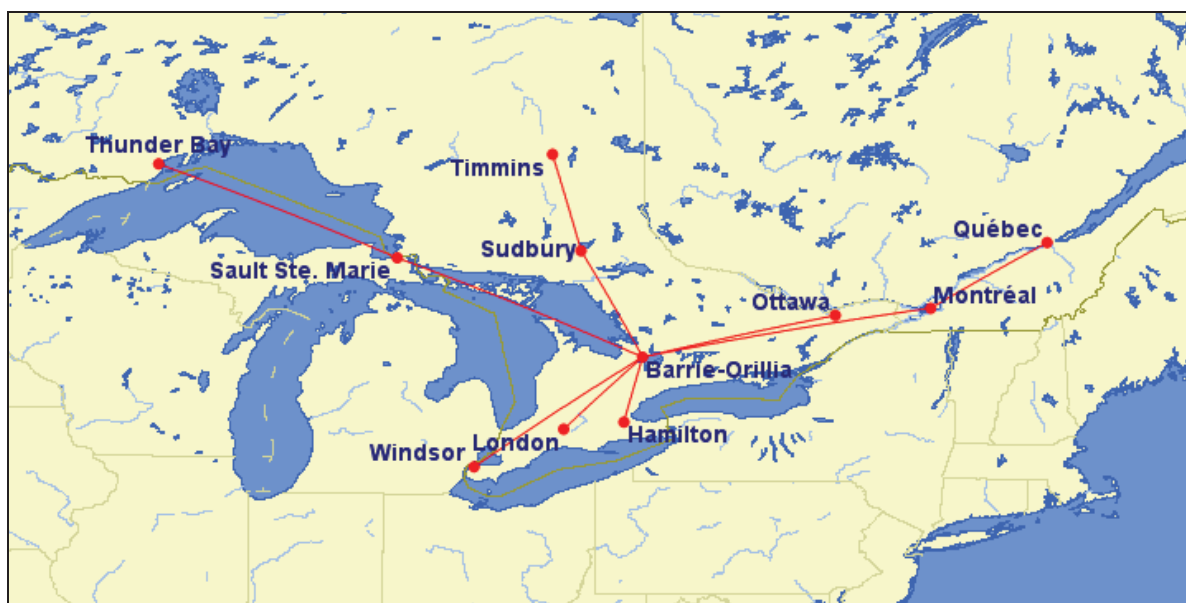


B1900D

A probable scenario for the initiation of air services is that LSRA would become an intermediate stop on a flight which originates in a community west of Barrie and terminates in Ottawa or Montreal. An example of such a service is the current Bearskin Airlines flight from Thunder Bay to Ottawa with intermediate stops in Sault Ste. Marie and Sudbury. Thunder Bay was ranked as the 4<sup>th</sup> most significant domestic destination, so that

community may be appropriate as a western terminus of the route. The potential for a Thunder Bay to LSRA flight and on to Ottawa would be a significant route for the Airport. Other potential opportunities could include flights which originate from Hamilton or Windsor, Ontario. Hamilton currently has no air service to Ottawa, and Windsor passengers travelling to Ottawa must change aircraft in Toronto.

Figure 15 illustrates possible air service routes serving LSRA. These routes are based on the top ranked domestic destinations identified in the Sabre Inc. analysis. Although Hamilton was not identified in the analysis, there is currently no air service which links Hamilton with Ottawa. Therefore a potential route opportunity may be a service between Hamilton and Ottawa with an intermediate stop at LSRA.



**Figure 15 Possible Air Service Routes**

## **5.6 TARGET AIR CARRIERS**

Target operators to provide such air services include Exchange Income Group (includes Bearskin Airlines, Calm Air, and Perimeter Aviation), Air Georgian/Air Alliance, and Porter Airlines. Both Bearskin and Georgian operate 19 seat regional commuter aircraft. Porter operates 70 seat Q400 aircraft, which may be too large for the initial market demand. Exchange Income Group (Bearskin Airlines) has experience operating into smaller communities and introducing service into emerging travel markets. Bearskin Airlines is currently operating a successful air service between Waterloo Regional International Airport and Ottawa International Airport, and recently increased the number of flights. Bearskin Airlines has also recently initiated a direct flight from Waterloo to Montreal.

Although Air Georgian is familiar with the Barrie area market, its service commitments to Air Canada may prevent it from operating a competitive service.

It is important that the Airport attract air carriers with the ability and experience to develop a commercially viable air service that can be sustained over the long term. Initiating an air service, only to have it fail in the short term will, only deter other air carriers from considering LSRA as a potential market.

## 5.7 AIR SERVICE MARKETING PROGRAM

### 5.7.1 Marketing Materials

While not part of the scope of this study, LSRA may wish to develop marketing materials for an Air Service Development Program. The following provides a list of materials that should be developed:

- PowerPoint presentation that focuses on:
  - LSRA catchment area demographics and socio economic profile
  - Major regional employers
  - Estimated travel demand and target destinations
  - Competing travel analysis
  - Airport facilities
  - Marketing incentives
- LSRA presentation folder – large 3-fold folder on heavy stock, full colour printing, with pocket for quickprint letter-sized inserts. Message of folder targeted at all interests of the Airport, including airlines, but also other potential tenants including general aviation operators, MRO providers, corporate aviation departments. Inserts would be customized to focus to a particular interest or prospective tenant.
- Small 3-fold brochure (letter-size folded with 6 panels / pages) targeted at air service development; full colour for print-on-demand production. Contents would include condensed version of PowerPoint, laid out in sales brochure format. The design and contents to be developed so that the brochure can be reproduced for this and other target audiences, like corporate charter operators. The print template to be ready and printed in limited quantities as required (i.e. before industry events).
- Instant Print colour presentation folder inserts (letter size), Contents extracted from PP presentation (for use when the entire PP as insert is not desired or appropriate):
  - a) airport spec sheet, b) catchment area demographics, c) economic profile of LSRA market, d) market demand studies (i.e. elements from PSMI consultants report), e) others a relevant based in developments around LSRA.
- Photo Copy Insert sheets for presentation folder: letter-size office copier sheets (B&W or Colour as appropriate)). Contents: air services related news from LSRA, new economic / industrial developments, LSRA-related events, LSRA attended

industry association events and related news, success stories / announcements around the Airport.

- LSRA newsletter, initially as a quarterly 4-page instant print colour publication, use as a stand-alone mailing piece and as an insert for presentation folder. Regular publication and distribution via LSRA mailing list, area chambers, cities, and other relevant stake holders and interest groups.

Other marketing efforts could include:

- Enhancement to LSRA website with air services development related pages, also based on above PP presentation material; make some pages user-updatable (work with website designer).
- Use of select 'social media' forums, like Linked-In, which have aviation industry specialty forums.
- Invite Bearskin Airlines to LSRA and introduce LSRA and the interest in developing sustainable air services at the airport base on the model developed as part of this study.

#### 5.7.2 Ongoing Support Program

The consultants recommend an ongoing marketing program as a key element of any Air Services Development strategy. This could possibly be undertaken in cooperation with the economic development departments of the participating communities or carried out with an independent airport marketing consultant. An airport marketing consultant would be retained on an annual basis to develop, guide and oversee the program in conjunction with the Airport Manager.

Responsibilities of the consultant could include:

- Development of marketing materials with regard to design input, content development and application/usage strategies.
- Assist LSRA with the execution of the air services development program, including the best use of marketing materials, contact/liaison with target audience and industry associations.
- Assist LSRA in the development and maintenance of a contact list of airline decision makers.
- Support LSRA with website development and social media use and management.
- Support LSRA staff at industry events and assist in the planning of participation.

#### 5.8 AIR SERVICE INITIATIVES

Efforts to introduce scheduled air service to Lake Simcoe Regional Airport should include the following initiatives:

- Create a focus group comprised of representatives from the Airport, government, chambers of commerce, economic development offices, local business and the travel/tourism industry to actively promote air service.
- Become active / member in the most relevant and effective industry associations: ATAC, Regional Airline Association, ACI-NA; participate in the associations' main events, including the airline/airport "speed dating" sessions.
- Prepare a presentation which can be provided to target airlines. Important elements of the presentation include information on the catchment area, demographics, and potential travel demand.
- Publish a quarterly LSRA newsletter to build and maintain a visible presence with the local/regional travel market, businesses, stakeholders and potential air service providers. Establish databases / mailing lists that can be filtered into several distinct categories: airport management and stakeholders; tenants; air service providers (schedules and non-scheduled); associations; media (trade and public).
- Meet with targeted airlines. Invite them to tour the Airport and meet with community representatives. Determine what infrastructure/operational requirements need to be met in order to accommodate scheduled air service.
- Hold discussions with other airports to promote air travel/route opportunities. A route has two connection points and the partner on the other end can be a valuable ally in getting attention and support.
- Develop an incentive program that is sustainable and would attract airlines to the community. The incentive program may include reduced airport charges for a start-up period, fit-up of terminal space and counters to accommodate airline needs, promotional support or cost sharing of an advertising/media campaign. Local government/businesses may also be interested in establishing a travel bank which guarantees a certain amount of airline ticket purchases to be used over a period of time.
- Identify opportunities and constraints associated with the introduction of scheduled air services at LSRA. This includes:
  - Certification of the Airport.
  - Modification and/or expansion of the terminal building to accommodate air service.



## **STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN**

### LAKE SIMCOE REGIONAL AIRPORT

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- Requirements necessary to accommodate CATSA passenger and baggage screening functions.
- Requirements to upgrade security requirements as a result of introducing scheduled air service.

## **6.0 Airport Land Use Plan**

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### **6.1 GENERAL**

This Airport Land Use Plan is intended to provide the required direction and recommendations to LSRA to expand its commercial development capacity and options through a structured and rationalized plan for future development. It is recognized that LSRA requires flexibility to meet strategic objectives and attract new commercial and general aviation revenue generating opportunities.

The Airport Land Use Plan is not intended to define a specific order of development or specify exact timeframes for implementation. Various options have been developed as a means to understand the flexibility of development opportunities and the plan serves as a framework for possible future development. The general planning timeframe for airport development is a 20 year period, but is subject to change based on future growth of the Airport and Region.

### **6.2 MUNICIPAL ZONING PROVISIONS**

Both the County of Simcoe and the Township of Oro-Medonte identify Lake Simcoe Regional Airport in their Official Plans and Zoning Bylaws. The County of Simcoe, under Part 3.9 of their Official Plan recognizes LSRA as a 'special development area'. Section C10 of the Oro-Medonte Official Plan recognizes the role of the airport and identifies permitted uses. These uses include: airport facilities, airport-related manufacturing, storage and warehousing, business offices, research establishments and wholesaling establishments.

Under the Zoning Bylaw for the Township of Oro-Medonte, the airport lands are designated AP (Airport) industrial zoning and provisions are identified for lot area, frontages and setbacks.

Despite the Airport being referenced in the municipal documents, development on airport lands and on-site zoning is the responsibility of LSRA through the Airport Land Use Plan

### **6.3 DEVELOPMENT CONSIDERATIONS**

In developing a Land Use Plan for Lake Simcoe Regional Airport, a number of objectives were taken into consideration. These included:

- Protect for the safe and efficient operation of aircraft.
- Protect for potential expansion of the runway to Code 4 non-precision instrument approach standards (B737 aircraft).
- Optimize the use of airport lands.

- Optimize opportunities for the phased development of commercial lands.
- Provide for varying scales and types of commercial development.
- Provide for the potential expansion of airport terminal facilities to accommodate opportunities for scheduled air service.
- Accommodate for potential irregular operations by Code D aircraft.

## 6.4 LAND USE ELEMENTS

### 6.4.1 Airside Reserve

Airside Reserve includes the entire airside operational infrastructure essential for the safe and efficient operation of aircraft. Elements include Runway 10-28, taxiways, aprons, visual and navigational aids, and associated protection areas.

The Land Use Plan shows a potential expansion of the runway to 2,286m (7,500 ft.). The current length of 1829m (6,001 ft.) is more than adequate to accommodate regional jets and turboprops, and narrowbody jets on short to medium distance routes. However, as previously noted, in order to accommodate the potential for flights to the Caribbean a minimum runway length of 2,134m (7,000 ft.) would be required and 2,286m (7,500 ft.) preferred. It is recommended that the Airport protect for a future expansion of the runway to 2,286m and to Code 4C non-precision approach standards.

With the single runway, LSRA has a theoretical ultimate capacity of approximately 200,000 annual movements with the provision of a full parallel taxiway. This will accommodate the needs of the Airport well into the future and negates a requirement for a second runway based on capacity requirements. With the existing partial parallel taxiway, the runway has the capacity for approximately 55,000 to 60,000 annual movements. Therefore, under the High Activity Forecast, construction of a full parallel taxiway may be required towards the end of the forecast period.

It is proposed that all new taxiways would be designed to Code C standards. The exception to this is the Southeast Commercial Area where a Code B taxiway would be provided running south from the apron. From there Code A taxiways would be provided to the various T hangar developments. Future taxiway development would include an extension of Taxiway Delta to the threshold of Runway 28, and the phased extension of Taxiway Bravo to accommodate development in the Northeast Commercial Area. Code D taxiway setbacks would be established for Taxiway Bravo in order that the taxiway could be potentially upgraded in the future and allow for MRO operations which cater to larger aircraft types.

A future parallel taxiway proposed for the north side of Runway 10-28 would be a very long term investment and would likely only be required if there is substantial commercial development in the northeast and/or if the municipal lands to the north of the runway are utilized for a future airport terminal building.

In the medium to long term, a dedicated de-icing pad is proposed between Taxiways Charlie and Alpha. This pad would be sized to accommodate Code C (Boeing 737) sized aircraft. To facilitate the construction of the de-icing pad, the existing AWOS facility would have to be relocated to a new site. In the short term it is proposed that the northwest corner of the terminal apron adjacent to the fuel services area be developed as a de-icing pad. This would likely require the provision of a slightly raised curb along the edge of the apron pavement to capture glycol runoff and the provision of a below-ground holding tank to store collected effluent.

#### **6.4.2 Transportation Reserve**

Transportation Reserve includes lands required for landside access to the terminal and commercial development areas. To maximize the airside development potential of the Southeast Commercial Area, it is proposed that the main airport access road be relocated to the southern airport property boundary. It would connect with the existing road at a location immediately west of the terminal parking lot. A new one-way road accessing the terminal curb would eliminate the need for thru traffic to bypass the terminal curb.

In the northeast, a new access road would be constructed to provide access to the Northeast Commercial Areas and to the Airport Support area located north of the runway.

#### **6.4.3 Terminal Reserve**

The Terminal Reserve surrounding the existing terminal building would accommodate future expansion of the airport terminal building and associated parking areas. The reserve area is sized to accommodate a modest sized terminal facility that could accommodate both domestic and international operations.

#### **6.4.4 Airport Support**

The Airport Support areas would accommodate facilities required to support and maintain the ongoing operation of the Airport. They include maintenance garages, storage sheds, fire halls, etc. Airport Support areas have been identified adjacent to the existing maintenance garage and north of the runway. The opportunity exists to accommodate an air traffic control tower (ATCT), should a need arise in the long term. Typically an ATCT facility is required when annual movements approach 60,000. This would not likely occur until towards the end of the 20 year forecast term under the 'High' forecast scenario.

Provision has also been made to accommodate a potential airport/municipal fire hall on airport lands adjacent to Line 7 N. An airport crash/fire facility would not be required until passenger movements exceed 180,000 annual passengers.

#### **6.4.5 Airside Commercial Development**

The Land Use Plan identifies three areas for commercial development. These areas are briefly described below. Due diligence is required for airside commercial developments. Only developments that have a direct requirement for airside access should be located on

airside lots. Furthermore, even though there might be a direct requirement for airside access, the expected use of the facility must also be considered, with respect to neighbouring lots and tenants. General aviation businesses and larger corporate hangars should be physically separated from hangar development associated with private recreational aircraft.

#### **Southwest Commercial Area**

Developed as part of the recent expansion initiatives at the Airport, the Southwest Commercial Area is approximately 6 ha. in area and is divided into 11 potential lots averaging 57m x 102m. This area will provide the Airport with the capability to accommodate development in the short to medium term. Single lots are appropriately sized to accommodate corporate flight operations, small charter operators, rotary wing operators, aircraft sales and servicing facilities and FBO's. Larger facilities or operations which require significant apron area can be accommodated on multiple lots. All of the lots in this commercial development area are fully serviced. Airside access for Code C aircraft is provided by Taxiway Delta.

#### **Southeast Commercial Area**

This commercial development area is located in the southeast corner of the Airport property and would generally cater to light general aviation and recreational aircraft. To maximize the development potential of this site in the longer term, the main airport access road and security fence would be relocated to the south. The remainder of the development parcels, totaling 1.9 ha, has been sized to accommodate paved aircraft tie-downs and/or T hangar development. These lots could be further subdivided to accommodate smaller hangar developments.

#### **Northeast Commercial Area**

This development area is located north of Runway 10-28 on airport lands located adjacent to Line 7 N. Airside access to the site would be accommodated with the extension of Taxiway Bravo. The primary advantage of this commercial development area is the potential to accommodate large scale development on deep lots. To the east of Taxiway Bravo the lot depth is approximately 290m. Intended uses include large MRO (maintenance repair and overhaul) facilities, manufacturing, air cargo/courier operations, airline maintenance facilities, etc.

To accommodate intermediate sized development parcels the development area west of the taxiway is provided with sub taxiways which optimize the efficient use of the land. The depth of the lots in this area is 160m. Provision of a stub taxiway located east of Taxiway Bravo could accommodate smaller lot sizes if required.

#### **6.4.6 Landside Commercial Development**

A Landside Commercial Development Area has been identified north of Runway 10-28 and west of the municipal bio-solids treatment facility. Although this area has the potential to be

## STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN

### LAKE SIMCOE REGIONAL AIRPORT

developed for aviation related uses, there may be opportunities to utilize these lands for other uses. One potential opportunity which has been discussed is a solar farm. A number of airports in the US and Canada have or are considering the installation of solar farms. Such an installation could generate revenue for the Airport and/or provide a cheaper source of electrical power.

### 6.5 RECOMMENDED LAND USE PLAN

The recommended Land Use Plan for Lake Simcoe Regional Airport is provided in Figure 16. Land Use designations are summarized in Table 15.

Land Use	Description	Recommended Uses
<b>Airside Reserve</b>	Reserved solely for the use of all fixed-wing and rotary-wing maneuvering surfaces on the Airport.	Runway strips Taxiway strips Aprons Aircraft parking positions Primary NAV AID protection area
<b>Terminal Reserve</b>	Includes the passenger terminal building and associated infrastructure. Includes existing building and protection for future expansion.	Passenger terminal building and ancillary infrastructure, parking.
<b>Airside Commercial</b>	Commercial developments that have a direct requirement for access to the Airside System of the Airport	Aircraft hangars or storage facilities Aircraft maintenance facilities Fixed-based operators Airline offices Air Cargo Other aeronautical uses
<b>Landside Commercial</b>	Commercial developments that do not require direct access to the Airside System.	Non-Aviation related uses including agriculture, warehousing
<b>Airport Support</b>	Developments that support the operations of the airport and its essential systems.	Airport administration Airport rescue fire fighting Air Traffic Control / Apron Tower Security office Utility buildings Airport maintenance garage

<b>Land Use</b>	<b>Description</b>	<b>Recommended Uses</b>
<b>Transportation Reserve</b>	Ground transportation system that facilitates the movements of vehicles.	Access roads Parking lots Terminal road system Terminal curb frontage
<b>Airport Reserve</b>	Areas where development is not forecasted during the planning period and may be considered surplus	Short-term non-permanent developments that do not impact airport operations such as agricultural.

## **6.6 PHASING PLAN**

Having established the overall Airport Land Use Plan, Figure 17 presents a phased commercial development plan for the Lake Simcoe Regional Airport. The purpose of the phased development plan is to provide LSRA with a logical progression of development at the airport based on the availability of land and the most practical and cost effective approach.

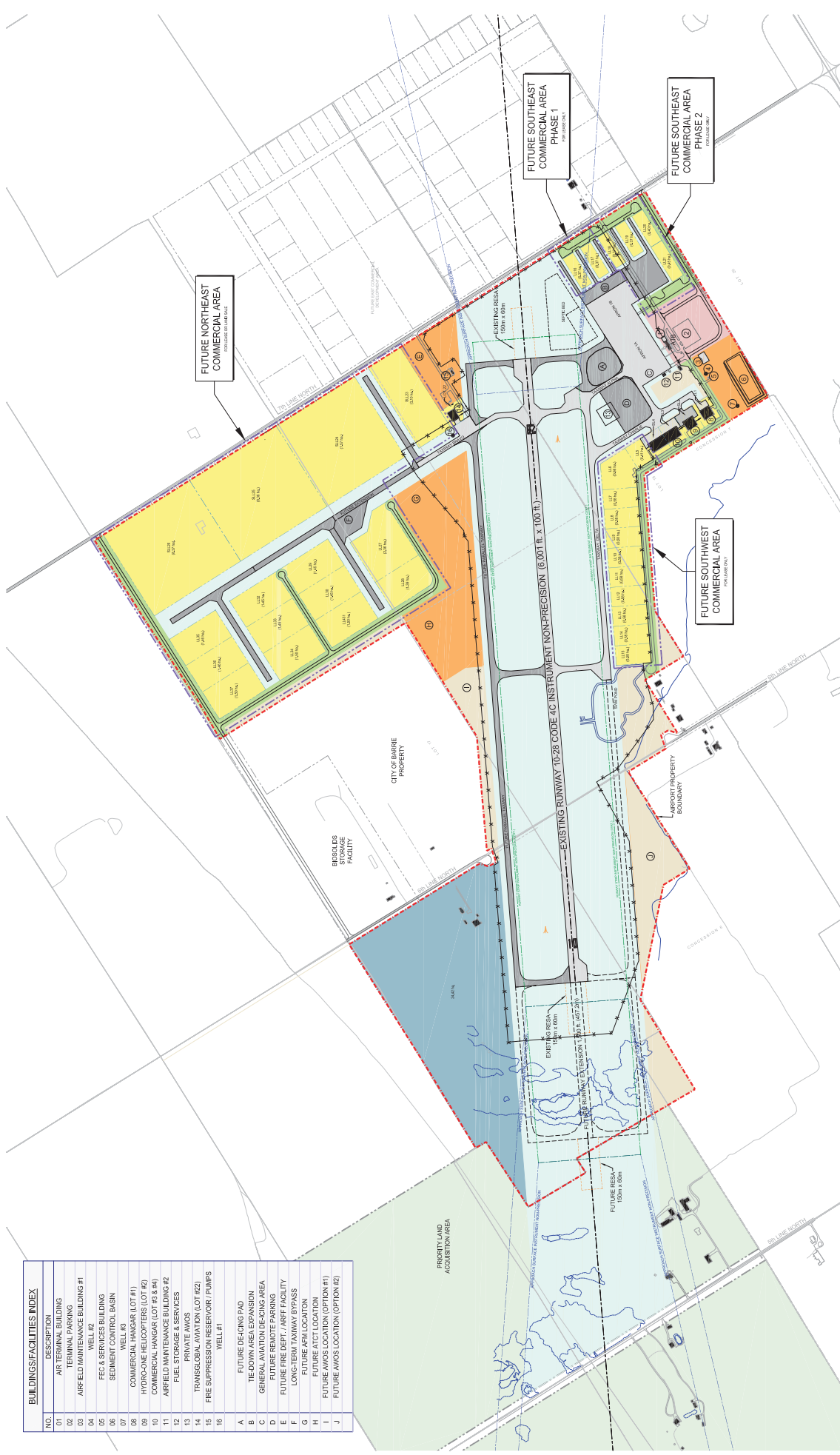
## **6.7 LAND ACQUISITION PRIORITIES**

To ensure the protection for a potential future expansion of the runway to 7,500 ft. and associated take-off and landing approach surfaces, consideration should be given to the acquisition of lands to the west of the existing Airport property. This would provide the Airport with control over potential obstacles such as manmade structures and tree growth. The approximate extent of this land acquisition is illustrated in Figure 16.

With the future certification of LSRA it is recommended the Airport consider obtaining registered airport zoning regulations (AZR) under the federal/provincial process. In the interim, the Township of Oro-Medonte should amend its bylaws to provide appropriate language regarding the limitation of building heights in the vicinity of the Airport.



BUILDINGS/FACILITIES INDEX	
NO.	DESCRIPTION
01	AIR TERMINAL BUILDING
02	TERMINAL PARKING
03	AIRFIELD MAINTENANCE BUILDING #1
04	WELL #2
05	FEC & SERVICES BUILDING
06	SEWAGE TREATMENT PLANT
07	COMMERCIAL HANGAR (LOT #1)
08	HYDROPLANE HELICOPTERS (LOT #2)
09	COMMERCIAL HANGAR (LOT #3 & #4)
10	AIRFIELD MAINTENANCE BUILDING #2
11	FUEL STORAGE & SERVICES
12	PRIVATE AMWS
13	TRANS-GLOBAL AVIATION (LOT #22)
14	FIRE SUPPRESSION RESERVOIR / PUMPS
15	WELL #1
A	FUTURE DECKING PAD
B	TIE-DOWN AREA EXPANSION
C	GENERAL AVIATION DECKING AREA
D	FUTURE REMOTE PARKING
E	FUTURE FIRE DEPT. / ARFF FACILITY
F	LONG-TERM TANWAY BYPASS
G	FUTURE AFM LOCATION
H	FUTURE ATOT LOCATION
I	FUTURE AMWS LOCATION (OPTION #1)
J	FUTURE AMWS LOCATION (OPTION #2)



**Client:** LAKE SIMCOE REGIONAL AIRPORT  
**Project:** STRATEGIC DEVELOPMENT PLAN  
**Location:** On Station, ON  
**Scale:** 1:5000 (AS SHOWN)  
**Drawn by:** JAH  
**Checked by:** JAH  
**Date:** 15/03/2016 (AS SHOWN)  
**Revision:** 5  
**Project No.:** 22005

**GENERAL LEGEND**

	EXISTING AIRSIDE PAVEMENT		AIRPORT RESERVE
	EXISTING STRUCTURE / BUILDING		AIRSIDE RESERVE
	FUTURE AIRSIDE PAVEMENTS		LANDSIDE COMMERCIAL
	FUTURE STRUCTURE / BUILDING		AIRPORT SUPPORT
	FUTURE ROAD		TRANSPORTATION RESERVE
	FUTURE RUNWAY PAVEMENTS		TERMINAL RESERVE
	FUTURE RUNWAY ENG. SAFETY AREA		PRIORITY LAND ACQUISITION
	RUNWAY APPROACH SURFACE		
	RUNWAY STRIP		
	ELECTRONIC PROTECTION AREA		

**SCALE 1:5000**  
 (ON PLANT / AS SHOWN)

0 25 50 100 150 200 METRES  
 0 25 50 100 150 200 FEET

**GENERAL LEGEND**

	EXISTING AIRPORT BOUNDARY		EXISTING LEGAL BOUNDARY
	EXTENDED RUNWAY CENTRELINE		EXISTING LANDS FOR DEVELOPMENT
	EXISTING ROAD		NON-AIRPORT LANDS
	EXISTING LEGAL BOUNDARY		DEVELOPMENT LOT BOUNDARY

**TITLE SHEET**  
 PROJECT: LAKE SIMCOE REGIONAL AIRPORT  
 DRAWING: STRATEGIC DEVELOPMENT PLAN  
 DATE: 15/03/2016

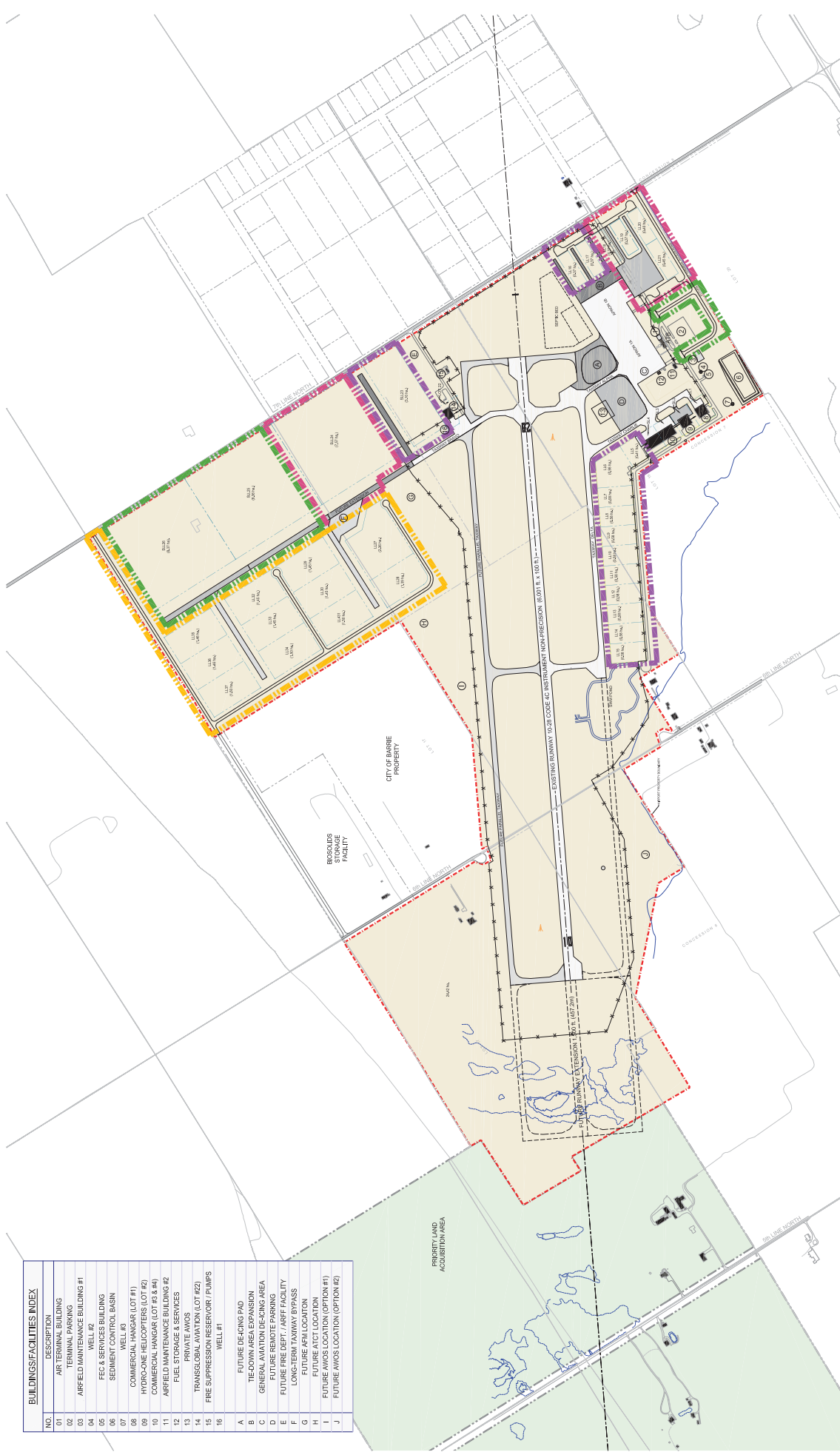
Revision	Description	By	Checked	Date
1	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
2	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
3	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
4	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
5	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
6	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
7	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
8	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
9	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
10	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
11	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
12	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
13	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
14	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
15	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016
16	ISSUE FOR PERMIT REVIEW	JAH	CSB	MARCH 2016

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G	FUTURE AFM LOCATION
H	FUTURE AMWS LOCATION (OPTION #1)
I	FUTURE AMWS LOCATION (OPTION #2)
J	FUTURE AMWS LOCATION (OPTION #3)



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**Client:** LAKE SIMCOE REGIONAL AIRPORT  
**Project:** STRATEGIC DEVELOPMENT PLAN  
**Location:** Oro Station, ON  
**Scale:** 1:5000 (A3 SIZE SHEET)  
**Drawn By:** JMH  
**Checked By:** JMH  
**Date:** 2017  
**Project No.:** 20055

**Figure 17**  
**LAKE SIMCOE REGIONAL AIRPORT DEVELOPMENT PHASING PLAN**

**GENERAL LEGEND**

	EXISTING STRUCTURE / BUILDING		EXISTING AIRPORT PROPERTY
	EXISTING AIRSIDE PAVEMENT		FUTURE AIRSIDE PAVEMENTS (SHORT-TERM (0-5 YEARS))
	LANDS IDENTIFIED FOR SHORT-TERM DEVELOPMENT (0-5 YEARS)		FUTURE AIRSIDE PAVEMENTS (MEDIUM-TERM (5-10 YEARS))
	LANDS IDENTIFIED FOR MEDIUM-TERM DEVELOPMENT (5-10 YEARS)		FUTURE AIRSIDE PAVEMENTS (LONG-TERM (10-20 YEARS))
	LANDS IDENTIFIED FOR LONG-TERM DEVELOPMENT (10-20 YEARS)		FUTURE AIRSIDE PAVEMENTS (VERY LONG-TERM (20+ YEARS))
	EXISTING AIRPORT BOUNDARY		
	EXTENDED RUNWAY CENTRELINE		
	EXISTING ROAD		
	EXISTING LEGAL BOUNDARY		
	NON-AIRPORT LANDS		
	DEVELOPMENT LOT BOUNDARY		
	FUTURE AIRSIDE PAVEMENTS		

**SCALE 1:5000**  
 ON A3 SIZE SHEET

**THE CITY OF BARRIE**  
 WATER  
 UTILITY  
 SERVICES

Revision	Description	By	Check	Date
1	ISSUE FOR PERMITTING	JMH	CSB	MARCH 2017
2	ISSUE FOR PERMITTING	JMH	CSB	APRIL 2017
3	ISSUE FOR PERMITTING	JMH	CSB	MAY 2017
4	ISSUE FOR PERMITTING	JMH	CSB	JUNE 2017
5	ISSUE FOR PERMITTING	JMH	CSB	JULY 2017
6	ISSUE FOR PERMITTING	JMH	CSB	AUGUST 2017
7	ISSUE FOR PERMITTING	JMH	CSB	SEPTEMBER 2017
8	ISSUE FOR PERMITTING	JMH	CSB	OCTOBER 2017

**NOTES:**

- FOR PLANNING PURPOSES ONLY.
- BASED ON THE CURRENT AIRPORT MASTER PLAN.
- BASED ON THE CURRENT AIRPORT MASTER PLAN.
- BASED ON THE CURRENT AIRPORT MASTER PLAN.
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## **6.8 CAPITAL COST ESTIMATE**

A preliminary capital cost estimate for infrastructure improvements associated with the recommended Land Use Plan is provided in Table 16. Note that provisions for the rehabilitation of the existing pavements have not been included in these estimates as we do not expect this to be required within the 20 years planning period. The Airport was recently rehabilitated and it is expected that this infrastructure will have a useful life of at least 18-20 years before requiring major rehabilitation.

The capital cost estimate does not include cost of additional airport maintenance equipment, nor does it include additional operating costs.

### **Short Term (1-5 years)**

Costs include those costs associated with the Phase I development of the Southeast Commercial Area for T Hangars and aircraft tie-down areas. Also included is the cost of extending Taxiway Delta to the threshold of Runway 28. Short term costs include provision for a de-icing containment and collection facility at the northwest corner of the terminal apron.

### **Medium Term (5-10 year)**

Costs include: the relocation of the airport entry road to the south and Phase II expansion of the Southeast Commercial area; the Phase I extension of Taxiway Bravo; and the development of a dedicated de-icing pad adjacent to Apron A.

### **Long Term (10-20 year)**

Costs include: the Phase II extension of Taxiway Bravo and the development of the Northeast Commercial Area west of Taxiway Bravo and expansion of the terminal apron.

### **Very Long Term Development (20+ years and beyond study period)**

Costs include extension of Runway 28 to 2,286m (7,500 ft.), the development of full parallel taxiways on both sides of the runway. Costs exclude the rehabilitation of 2011 pavements.

<b>Table 16</b>	
<b>Preliminary Capital Improvement Cost Estimate</b>	
<b>Capital Improvements / Expansion</b>	<b>Cost*</b>
<b>Short Term (0-5 years)</b>	<b>\$978,166</b>
GA Apron Expansion (Phase I)	
Southeast Commercial Development (Phase I)	
De-icing Containment and Collection	
<b>Medium Term (5-10 years)</b>	<b>\$2,015,628</b>
GA Apron Expansion Phase II	
Southeast Commercial Area (Phase II)	
Terminal Access Road Realignment (Phase I)	
Dedicated De-icing Pad and Taxiway D Extension to Runway 28 Threshold	
<b>Long Term (10-20 years)</b>	<b>\$3,367,821</b>
Taxiway Bravo Extension**	
Terminal Apron Expansion	
Terminal Access Road (Phase II)	
GA Apron Expansion (Phase II)	
<b>Very Long Term (20+ years)</b>	<b>\$13,535,889</b>
Northeast Commercial Area (West of Taxiway Bravo)	
Stub Taxiway Development (West of Taxiway Bravo)	
Runway 10-28 Extension	
Future Parallel Taxiway North of Runway	
Taxiway Delta Extension to Runway 10 Threshold	
Apron Fillet Improvements	
Taxiway Bravo/Threshold 28 Connecting Taxiway	
<b>Total Preliminary Cost Estimate</b>	<b>\$19,897,504</b>
<p>* Includes engineering and project management fees, geotechnical fees and contingency</p> <p>** Assumes Airport pays for full development costs.</p> <p>Costs exclude rehabilitation of existing pavements.</p> <p>The estimate of construction costs is provided for preliminary budgetary purposes only. This is not to be interpreted as a guarantee by Pryde Schropp McComb a Division of GENIVAR.</p> <p>Prices do not include HST.</p>	

## **7.0 Pro Forma Financial Analysis**

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### **7.1 PRO FORMA SCENARIOS**

In order to review the long-term financial performance of the Airport in light of the commercial development and air service opportunities described in previous sections a high level planning pro forma financial analysis was undertaken. The pro forma analysis examined two scenarios.

#### **Scenario 1 - Base Activity Forecast**

This scenario assumes that the level of aviation activity will increase at historic growth rates and that there is no scheduled air service for LSRA in the foreseeable future.

#### **Scenario 2 – High Activity Forecast**

This scenario assumes that aviation activity will grow based on the high activity forecast as identified in Section 3, Table 8. The scenario also assumes that limited scheduled air service would be initiated in 2012.

It should be noted that the scenarios were developed to compare commercial develop and aviation activity scenarios in relative terms, and should not be construed as a complete detailed financial analysis. The pro forma have not been reviewed or audited by accounting professionals.

### **7.2 ASSUMPTIONS, QUALIFICATIONS AND EXCLUSIONS**

The development of the pro forma scenarios was based on the following assumptions, qualifications and exclusions.

#### **Assumptions**

- Operating Revenue and Operating Costs for 2011 are taken from the 2010 forecast provided by Lake Simcoe Regional Airport. These general revenues and costs grow at the rate of inflation which in the pro forma has been identified as 2% per year.
- Revenues directly related to aviation activity such as fuel sales would grow at the rate of inflation plus the forecasted activity growth rate.
- Land lease rates used in the analysis are 'sustainable' market value rates as recommended in Section 4.6.3.
- Airport Maintenance Charges (AMC) of \$0.10/ft.<sup>2</sup> are applied to leased lands as well as those which have been previously sold.



## **STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN**

### LAKE SIMCOE REGIONAL AIRPORT

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- Both scenarios assume that lands located in the Northwest Commercial Area and east of Taxiway Bravo would be leased by the Airport and that the future expansion of Taxiway Bravo would be included as part of the Airport's capital improvement program.
- Through-The-Fence fees of \$0.10/ft.<sup>2</sup> would apply to future lands sold by the Airport.
- Rates for serviced property includes land that has water, electricity and sanitary. Same rate for service property applies if just water and electricity are provided.
- Financing (interest costs) will only be incurred on capital costs to fund infrastructure improvements.
- Shortfalls in Operating Revenues versus Operating Costs (as indicated on the line "Net Profit (Loss) Before Capital and Financing Costs" on the Analysis page) are covered by the City of Barrie and the Town of Oro-Medonte. Shortfalls in Operating Revenues are not financed.
- Surpluses (or Profit) in Operating Revenues versus Operating Costs will go towards paying down debt and interest costs on capital projects.
- Annual passengers would equal to 1,000 the first year (2012), 4,000 the second year, and 8,000 the third year. Passenger activity would then grow at 2% a year. Passengers would be charged an AIF fee of \$15.00 per departure.
- The terminal charges/counter lease would equal approximately \$20,000 per year.

#### **Qualifications**

- All revenues and costs are in 2011 dollars.
- The Airport may wish to employ the services of a commercial real estate firm to test the market potential of the commercial lands and update the forecast sales/lease as appropriate.
- Capital costs and phasing of such costs are as described in the preliminary cost estimate described in Table 16.
- Net Present Value is calculated for the entire project, assumes 2011 is Year 1.

#### **Exclusions**

- Brokerage fees / Sales commissions.
- Legal fees.

## **STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN**

### LAKE SIMCOE REGIONAL AIRPORT

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- Environmental Review fees.
- Capital costs for rehabilitation of existing infrastructure.
- Capital costs for expansion of the terminal building or associated parking lot.
- Additional operating revenues from tenants (i.e. snow clearing) that are not covered by the AMC.
- Depreciation and Amortization.
- Immediately beyond the timeframe of the pro forma (20 years) there would be a need to rehabilitate the existing airside pavements. This cost of approximately \$5million - \$6 million is not included in the pro forma analysis.
- Under the Scenario 2, LSRA would likely be eligible for federal funding for rehabilitation projects under the ACAP program. This is another major incentive for the airport to seriously promote and develop passenger air service over the course of the next 15 years. ACAP will require a least 3 years of service before the airport is considered eligible. Therefore to ensure access to funding by year 18-20, air services should be established no later than year 13-15, preferably year 13 to ensure the market develops to the minimum 1000 passengers per year for 3 years criteria as it exists today.

### **7.3 SCENARIO 1 PRO FORMA (BASE ACTIVITY FORECAST)**

A summary of the Scenario 1 Pro Forma is provided in Figure 18. The detailed pro forma is provided in Appendix B.

At the end of the 20 year study horizon it is anticipated there would be a net loss of approximately \$4.9 million in 2011 dollars. Revenues from land leases and other operating revenues would not cover both operating expenses and the anticipated capital improvement costs.



**STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN**  
**LAKE SIMCOE REGIONAL AIRPORT**

<b>LAND LEASE AND SALES</b>	<b>Square Metres</b>
Total Land Leased	298,000
Total Land Sold	-
Total Land Either Leased or Sold	298,000
<b>REVENUES</b>	<b>Dollars</b>
<b>LEASING</b>	
Lease Revenue	\$6,100,599
Airport Maintenance Fees (AMC)- Leased Land	\$3,336,166
Airport Development Levy (One time charge)	\$3,207,645
<b>Total Revenues from Leasing</b>	<b>\$12,644,411</b>
<b>SALES</b>	
Land Sale Revenue	\$0
Airport Maintenance Fees (AMC) - Sold Land	\$0
Through the Fence Fee	\$0
<b>Total Revenue from Selling</b>	<b>\$0</b>
<b>Operating Revenues</b>	<b>\$8,179,936</b>
<b>Other Operating Revenues</b>	<b>\$1,370,434</b>
<b>TOTAL REVENUES</b>	<b>\$22,194,780</b>
<b>COSTS</b>	<b>Dollars</b>
<b>Operating Expenses</b>	<b>\$18,380,960</b>
<b>NET PROFIT (LOSS): BEFORE CAPITAL AND FINANCING COSTS</b>	<b>\$3,813,820</b>
New Infrastructure Development - Capital Costs	\$6,371,115
Interest on Debt	\$2,347,606
<b>NET PROFIT (LOSS): INCLUDING CAPITAL AND FINANCING COSTS</b>	<b>(\$4,904,902)</b>
<b>NET PRESENT VALUE (LOSS) OF AIRPORT OPERATIONS AND CAPITAL INVESTMENTS</b>	<b>(\$3,402,961)</b>
Rate Used to Calculate Interest Costs and Net Present Value	6.0%

**Figure 18 Scenario 1 Pro Forma Summary (Base Activity Forecast)**

**7.4 SCENARIO 2 PRO FORMA (HIGH ACTIVITY FORECAST)**

A summary of the Scenario 2 Pro Forma is provided in Figure 19. The detailed pro forma is provided in Appendix B.

At the end of the 20 year study horizon it is anticipated there would be a net profit of approximately \$3.3 million in 2011 dollars. This profit would be realized through increased operating revenues (the result of increased aviation activity) and from revenues derived from the presence of scheduled air service. These revenues would include Airport Improvement Fees (AIF), charged to passengers through the ticket cost, and from various fees charged directly to the air carrier, which include terminal charges and the lease of ticket counter space.

**STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN**  
LAKE SIMCOE REGIONAL AIRPORT

<b>LAND LEASE AND SALES</b>	<b>Square Metres</b>
Total Land Leased	298,000
Total Land Sold	-
Total Land Either Leased or Sold	298,000
<b>REVENUES</b>	<b>Dollars</b>
<b>LEASING</b>	
Lease Revenue	\$6,100,599
Airport Maintenance Fees (AMC)- Leased Land	\$3,336,166
Airport Development Levy (One time charge)	\$3,207,645
<b>Total Revenues from Leasing</b>	<b>\$12,644,411</b>
<b>SALES</b>	
Land Sale Revenue	\$0
Airport Maintenance Fees (AMC) - Sold Land	\$0
Through the Fence Fee	\$0
<b>Total Revenue from Selling</b>	<b>\$0</b>
<b>Operating Revenues</b>	<b>\$11,769,798</b>
<b>Other Operating Revenues</b>	<b>\$4,268,276</b>
<b>TOTAL REVENUES</b>	<b>\$28,682,485</b>
<b>COSTS</b>	<b>Dollars</b>
<b>Operating Expenses</b>	<b>\$18,380,960</b>
<b>NET PROFIT (LOSS): BEFORE CAPITAL AND FINANCING COSTS</b>	<b>\$10,301,525</b>
New Infrastructure Development - Capital Costs	\$6,371,115
Interest on Debt	\$666,599
<b>NET PROFIT (LOSS): INCLUDING CAPITAL AND FINANCING COSTS</b>	<b>\$3,263,811</b>
<b>NET PRESENT VALUE (LOSS) OF AIRPORT OPERATIONS AND CAPITAL INVESTMENTS</b>	<b>\$596,944</b>
Rate Used to Calculate Interest Costs and Net Present Value	6.0%

**Figure 19 Scenario 2 Pro Forma Summary (High Activity Forecast)**

## 7.5 SENSITIVITY ANALYSIS

Sensitivity analysis was undertaken on the pro forma models to determine what impact changes to lease rates, AMC charges and the lease versus sale of land would have on the net financial outcome. The following outcomes based on adjustments to various model inputs.

### Scenario 1 – Base Activity Forecast

- In order to provide a net breakeven position with the pro forma, the land lease rates would have to be increased by approximately 61%. The serviced land lease rate would increase from \$0.31/ft.<sup>2</sup> to \$0.50/ft.<sup>2</sup> and the lease rate for unserviced land would increase from \$0.138/ft.<sup>2</sup> to \$0.222/ft.<sup>2</sup>. These higher lease rates would likely be uncompetitive.
- A change in the proposed land lease rates by \$0.01.ft.<sup>2</sup> will change the net profit/loss by approximately \$430,500.

## STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN

### LAKE SIMCOE REGIONAL AIRPORT

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- A change in the proposed AMC by one cent will change the net profit/loss by approximately \$400,000.
- If the lease rate for serviced land were decreased to \$0.25/ft.<sup>2</sup>, (identified in Section 4.2.4 as an average of lease rates available from a number of regional and municipal airports across Canada) the net loss would increase to approximately \$5.2 million.
- The net loss would be increased by approximately \$0.6 million if lands in the Northeast Commercial Area located east of Taxiway Bravo were sold rather than leased.

#### **Scenario 2 – High Activity Forecast**

- If the lease rate for serviced land were decreased to \$0.25/ft.<sup>2</sup>, the net profit, in 2011 dollars, would decrease to approximately \$3 million.
- If lands in the Northeast Commercial Area, east of Taxiway Bravo, were sold rather than leased the net profit would decrease by approximately \$0.2 million.

The pro forma analysis demonstrates that with lease rates established at 'sustainable levels, under a low forecast the revenues would likely cover the operating expenses but not the cost of capital improvements. LSRA would have to seek out funding from other sources in order to undertake infrastructure improvements.

Under the high forecast and with scheduled air services the airport would likely become self-sustaining with sufficient revenue streams to cover both operating expenses and capital improvements.

## 8.0 Local Government Land Use Zoning Integration

### 8.1 GENERAL

The local government zoning bylaw does not fully capture the planning requirements of the proposed Airport Land Use Plan nor does it address site planning issues associated with Transport Canada’s *TP312E Aerodrome Standards and Recommended Practices* and other relevant aviation planning documents. ***It should also be recognized that municipalities do not have jurisdiction over airport lands and uses. Such jurisdiction is held by the federal level of government.***

A more effective and streamlined approach is required to integrate the actual Airport Land Use Plan with an appropriate process for reviewing and approving development applications. In general, the recommended approach is illustrated in Figure 20 and described below.

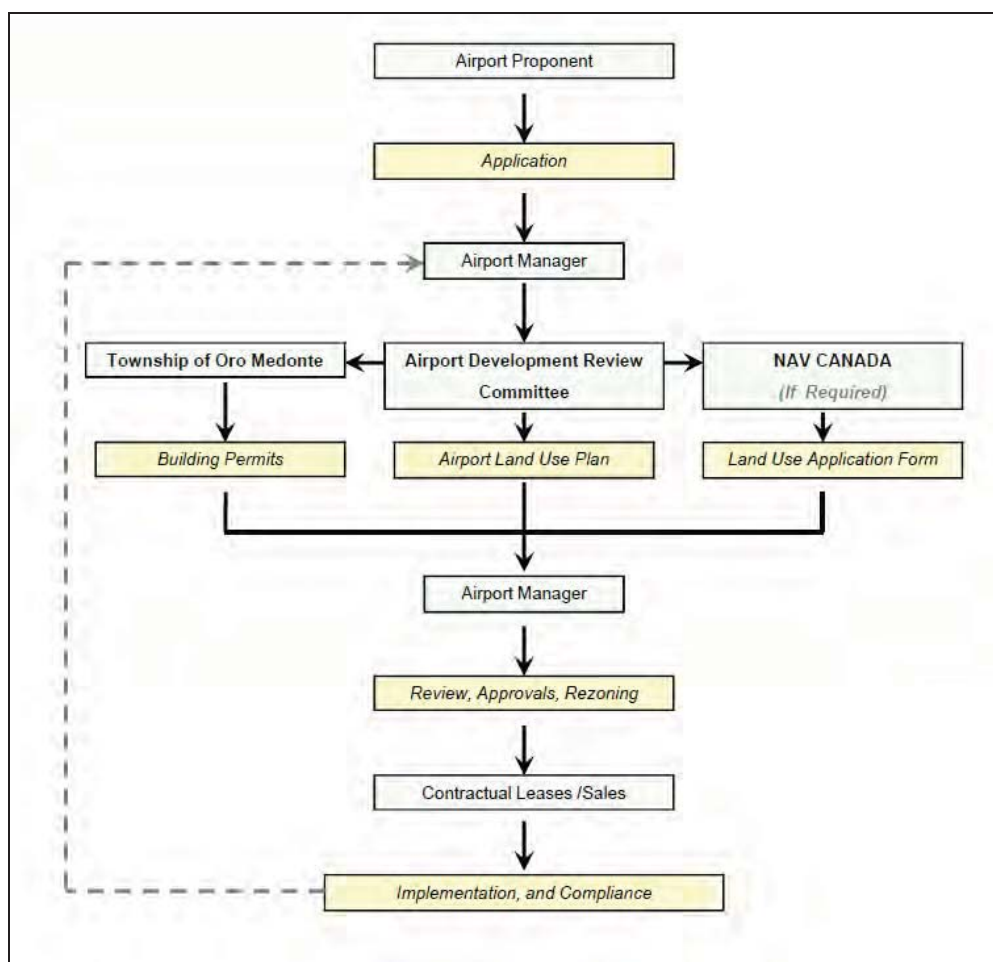


Figure 20 Proposed Development Approval Process

**Airport Manager (Municipal Service Corporation)**

- Administers the entire system, whereby the Airport Manager:
  - Receives the application.
  - Reviews the application against the Airport Land Use Plan.
  - Where necessary, distributes that application to the Township of Oro-Medonte and/or NAV CANADA.
  - Where necessary, collects and reviews the permits from the Township of Oro-Medonte.
  - Approves the development/site plan.
  - Enters into a contractual lease with the airport tenant.
  - Is responsible for lease implementation and compliance .
- Co-maintains with the Township of Oro-Medonte the current Airport Land Use Plan that describes appropriate uses of all airport lands.
- Provides additional input and review for all applications to ensure that the proposed development is safe, does not impact airport operations and is in line with the general land use recommendations.
- Evaluates the application to ensure that it does not impact the certification of the Airport and the long-term operation of Lake Simcoe Regional Airport.

**Township of Oro-Medonte**

- Co-maintains with the Lake Simcoe Regional Airport the current Airport Land Use Plan that describes appropriate uses of all airport lands.
- Directs all land use applications to Airport Management.
- Where necessary, reviews airport tenant applications regarding construction codes and building permits.
- Where necessary, issues building permits.

**NAV CANADA**

- Where necessary, reviews applications to ensure that the proposed development does not interfere with electronic navigational aids.

## **8.2 AIRPORT LAND USE PLAN ADMINISTRATION**

The Airport Land Use Plan is to be maintained by LSRA management. This system ensures that only one version of the Airport Land Use Plan is used at any time. The following summarizes the administrative process of the Airport Land Use Plan for Lake Simcoe Regional Airport:

- The Airport Land Use Plan on record is kept with the Airport Manager (Lake Simcoe Regional Airport) and the Planning Office (Township of Oro-Medonte).
- All applications must be in accordance with the Airport Land Use Plan on record.
- If a development (existing or proposed) is not in accordance with the Airport Land Use Plan, the applicant must apply for a deviation.
- The application for deviation is submitted to the Lake Simcoe Regional Airport. If approved, interim approval is awarded.
- Prior to final approval being awarded, the Airport Land Use Plan must be revised to reflect the development.
- The Airport Manager initiates all Airport Land Use Plan revisions.
- The updated Airport Land Use Plan is submitted to the Township of Oro-Medonte for review.
- Once reviewed internally, the Township of Oro-Medonte Zoning By-Law is updated to reflect the revised Airport Land Use Plan.
- Following the changes to the Township of Oro-Medonte Zoning By-Law, the revised Airport Land Use Plan becomes the Airport Land Use Plan on record.
- Final approval for the deviation application is awarded.

This system ensures accountability for Airport Land Use management while not hindering the operation and development opportunities of the Lake Simcoe Regional Airport.

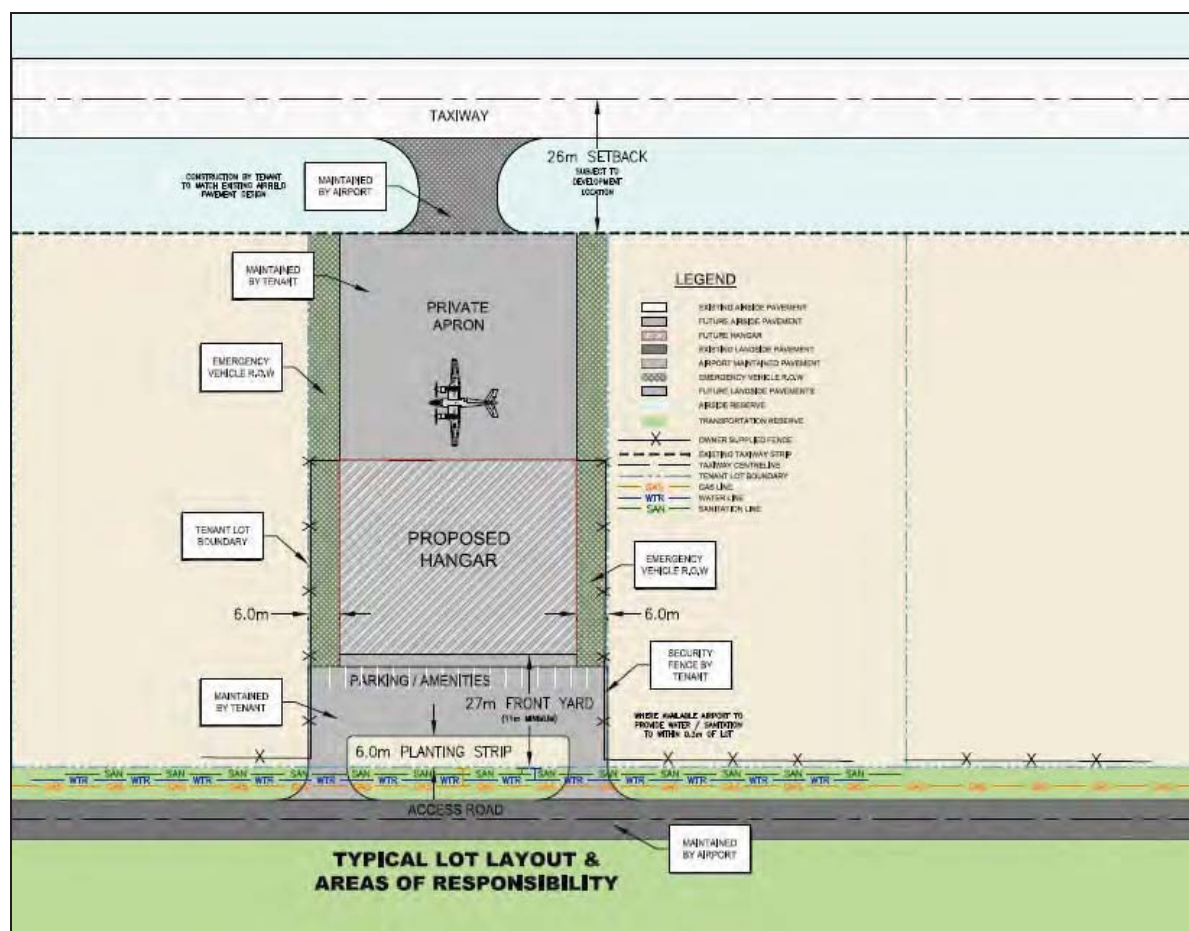
## **8.3 SITE PLANNING AND DEVELOPMENT GUIDELINES**

The development of structures and facilities on airport lands is controlled by various bylaws, standards and recommended practices. Guiding documents include:

- Transport Canada – TP312E *Aerodrome Standards and Recommended Practices, 4<sup>th</sup> Edition*.
- Transport Canada TP1247E, *Aviation Land Use in the Vicinity of Airports*.

- Township of Oro-Medonte *Zoning Bylaw*.

The Commercial Development Opportunities document provided in Appendix C provides prospective airport tenants with an overview of LSRA and provides information related to development opportunities, development rates and charges, and site planning guidelines. These site guidelines are illustrated in Figure 21. The document also includes a checklist which can be used by a prospective tenant to ensure the proper information and supporting documentation is presented prior to a formal development submission.



**Figure 21 Site Guidelines**

## 8.4 RECOMMENDED ACTION

Recommended actions include the following:

- That the Airport become responsible for the site plan/development review of all development which takes place on airport lands or those lands which may be sold off by the Airport.



## **STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN**

### LAKE SIMCOE REGIONAL AIRPORT

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- That the Airport prepare site plan/development guidelines for airport lands. These guidelines should incorporate both aeronautical zoning requirements plus relevant municipal zoning requirements.
- It is recommended the Airport enter into a contract with the Township of Oro-Medonte regarding the division of responsibilities and authority with respect to the development approval and permit process. The Airport should be the authority responsible for overseeing the development approval process and establishing appropriate site plan/development guidelines, whereas the Township should retain authority for the review and issuance of building permits.
- It is recommended the Township of Oro-Medonte update its Official Plan and Zoning Bylaws to reflect these changes with respect to responsibility and jurisdiction.

## **9.0 Summary of Key Recommendations**

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### **9.1 CONCLUSIONS**

The recent capital improvements undertaken at Lake Simcoe Regional Airport will more than adequately meet future challenges posed by even the most aggressive activity forecast, and provides the Airport with the capability to expand upon and diversify its role as a general aviation airport.

With a capacity in excess of 200,000 annual movements, the single runway will meet and exceed the high activity forecast of 63,000 annual movements identified by the consultants. The runway's length of 6,000 ft. accommodates a wide range of aircraft types including long range corporate jets, regional jets/turboprops and narrowbody airliners.

The expanded Southwest Commercial Area will likely satisfy commercial development requirements for the next 10+ years. With lands available in the southeast and northwest quadrants of the property, the Airport can accommodate commercial development demands well beyond the foreseeable horizon.

### **9.2 KEY RECOMMENDATIONS**

Key recommendations of the Commercial development / Air Service Plan include the following:

#### **9.2.1 Airport Role**

- Moving forward, it is recommended the Lake Simcoe Regional Airport continue in its primary role as a general aviation airport supporting the surrounding communities and businesses. And with the recent infrastructure improvements completed in 2011, the Airport has the flexibility and capability to expand upon and diversify this role as other air service demands and business opportunities present themselves including cargo, air passenger and aviation support services.

#### **9.2.2 Land Development Principles**

- It is recommended that the sale of airport lands be discouraged. The sale of airport land should be limited to the lands located in the northeast quadrant which directly abut on 7 Line and have access to municipal services.

#### **9.2.3 Rates and Charges Framework**

- It is recommended that the established land lease rates for Lake Simcoe Regional Airport be 'sustainable' and that they should represent the true market value of the land.

## **STRATEGIC COMMERCIAL DEVELOPMENT / AIR SERVICE PLAN**

### **LAKE SIMCOE REGIONAL AIRPORT**

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- It is recommended that a land valuation of \$50,000/acre be used as the basis for determining unserviced land lease rates. This translates into a sustainable land lease rate of \$0.138/ft.<sup>2</sup>.
- It is recommended that a land valuation of \$168,750/acre be used as the basis for determining serviced land lease rates. This translates into a sustainable land lease rate of \$0.31/ft.<sup>2</sup>.
- It is recommended that an Airport Maintenance Charge (AMC) should be applied to all airport properties including leased lands. The AMC should be recalculated every 5 years with an annual CPI increase.
- It is recommended that an Airport Development Service Fee be applied to all new development on airport lands to cover the cost of the development review process. The fee would be based on building area.
- It is recommended that new development on the airport be charged an Airport Development Fee equivalent to the Township of Oro-Medonte development fee. The Airport development levy should exclude building areas which are used exclusively for aircraft storage.
- It is recommended that a Water/Sewer Connection Charge be implemented for those developments on airport lands which require these services. A fee of \$20,000 should be considered.
- It is recommended that a Fire Service Connection Charge be implemented for those developments on airport lands which require this service. A fee of \$2,500 should be considered.
- It is recommended that a Through the Fence License be implemented which would apply to all off-airport lands which require airside access and utilize airport infrastructure.
- It is recommended the Airport undertake an appraisal of land values every 5 years.

#### **9.2.4 Commercial Development**

- It is recommended the Southwest Commercial Area be developed for corporate general aviation and aviation business related functions.
- It is recommended a Southeast Commercial Area be developed in the southeast quadrant of the Airport. Development in this area should cater to the hangarage of light general aviation and private recreational aircraft.
- It is recommended an Airport Business Park be developed in the northeast quadrant of the Airport. Development in this area should cater to large lot development

catering to larger scale aviation-related businesses such as aircraft maintenance repair and overhaul (MRO) facilities.

#### 9.2.5 Air Service

- It is recommended that the Airport Board focus create a focus group comprised of representatives from the Airport, municipal government, Chambers of Commerce, economic development offices, local businesses and the travel/tourism industry. The purpose of the group would be to actively promote air service and attract a scheduled air carrier to LSRA.
- It is recommended the Airport meet with targeted airlines to understand their market information requirements and identify determine potential infrastructure/operational needs.
- It is recommended the Airport meet with representatives from CATSA to determine security requirements and the provision of screening services.

#### 9.2.6 Land Use Plan

- The runway should be protected for a potential future extension to 2,286m (7,500 ft.). This would permit opportunities for future air service to destinations such as the Caribbean and west coast (very long term).
- The single runway has the capacity to accommodate approximately 200,000 annual movements and therefore sufficient to meet the long term needs of the Airport. A second crosswind runway is not contemplated and had not been protected for under the Airport Land Use Plan.
- Protection should be provided for a full parallel taxiway located north of Runway 10-28 (very long term).
- The City of Barrie lands located north of Runway 10-28 should be reserved for future airport uses. One potential use could be a future airport terminal building serving scheduled air services and capable of accommodating larger Code C narrowbody jet aircraft (very long term).
- A dedicated aircraft de-icing facility should be provided adjacent to the main terminal apron to serve de-icing needs for corporate and future air carrier needs (medium term). In the short term an area on the existing apron should be modified to accommodate the collection of glycol runoff.
- Taxiway Delta should be extended to the threshold of Runway 28 in order to improve the efficiency of the airside system (long term).
- With the potential for air traffic to increase to the levels forecast, there would be a need to ensure that surrounding land uses are compatible with the long term

viability of the Airport. This includes restricting residential development and controlling the height of compatible land uses.

- The Airport Land Use Plan makes provision for an air traffic control (ATCT) facility, similar to that at Buttonville Airport. An ATCT facility would be required once traffic approaches 60,000 movements a year.
- A strategy should be implemented for the Airport to acquire lands to the west of the existing airport property.
- Coordination should take place with the Township of Oro-Medonte for amendments to the official plan and zoning bylaw that will provide for height controls on lands surrounding the Airport.
- Consideration should be given to undertaking the federal/provincial process to implement registered airport zoning regulations (AZR) for the Airport.

#### **9.2.7 Development Approval Process**

- It is recommended that Airport management take responsibility for the development review and approval process for all developments that take place on airport lands and that the Township of Oro-Medonte have responsibility for the Building Permit application and review process.
- It is recommended that responsibility for managing and updating the Airport Land Use Plan reside with LSRA.
- It is recommended a Memorandum of Understanding (MOU) and contract be undertaken between the Airport and the Township of Oro-Medonte which would establish jurisdiction and responsibilities with respect to the airport development approval process.
- It is recommended that the Airport prepare development/site planning guidelines for airport lands.

#### **9.2.8 General**

- It is recommended that this Strategic Commercial Development / Air Services Plan be reviewed every 2-5 years and amended as required.
- It is recommended the Airport hire a Business Development Coordinator who's responsibility it would be to oversee the promotion and marketing efforts of the Airport and coordinate liaison with existing and prospective tenants with respect to business related matters.



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A DIVISION OF GENIVAR

**APPENDIX A  
AIRPORT TECHNICAL INFORMATION**

# **AIRPORT OPERATIONS MANUAL**

## **PART II – AIRPORT SPECIFICATIONS**



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## PART II - AIRPORT SPECIFICATIONS

### 2.1 INTRODUCTION

The services and facilities of Lake Simcoe Regional Airport have been developed in concert with the guidelines as prescribed in *Aerodrome Standards and Recommended Practices*, TP 312.

This part is an inventory of the specifications for Lake Simcoe Regional Airport. Unless otherwise annotated, these specifications are in compliance with TP 312, 4<sup>th</sup> edition.

#### 2.1.1 Units of Measurement

Elevations: are given to the nearest foot (one-half meter) Above Sea Level (ASL), unless otherwise noted.

Linear dimensions: are given to the nearest one-half metre (nearest foot) and/or in feet if published in the in the *Canada Air Pilot* or *Canada Flight Supplement*, e.g., declared distances.

Geographic coordinates: latitude and longitude given to the nearest second (unless otherwise specified) and measured in accordance with NAD 83 reference datum.

Bearing: is given to the nearest one-tenth degree, unless otherwise specified.

### 2.2 AERODROME DATA

Pertinent aerodrome reference data includes:

(a) Aerodrome Reference Point (ARP)

- (i) location: N44°29'09.73" W79°33'20.27" (geometric centre [GC] of the runway complex), and
- (ii) elevation: 955 ft (291m) ASL (assigned elevation of this point is the elevation of the lowest threshold)

(b) Geometric Centre (GC):

coordinate: N44°29'09.73" W79°33'20.27"

(c) Aerodrome Elevation (AE):

- (i) location: threshold of Runway 10, and
- (ii) elevation: 972 ft ASL. (elevation is the highest point of the landing/take off surface.

(d) Aerodrome Magnetic Variation: 11° west (at geometric centre).

(e) Aerodrome Reference Temperature

Sufficient historical data is not currently available.

(f) Wind Direction Indicator Locations

There are two wind direction indicators at the Lake Simcoe Regional Airport, and in relation to each threshold are located:

- (i) 156m (511 ft.) along centerline from Threshold 10, and 75m (246 ft.) northerly, and

- (ii) 245m (804 ft.) along centerline from threshold Runway 28, and 75m (246 ft.) southerly.

See Appendix D, the visual and non-visual navigation aids and/or facilities diagram, for location offset dimensions of the indicators.

- (f) Electronic Navigation Aids

See Section 3.5.1 Air Navigation Facilities.

- (g) Significant Obstacles on and/or in the Vicinity of the Aerodrome

Significant obstacles/obstructions in the vicinity include:

Obstacle	Location	Height	Lighting
Terrain	Northwest of airport	1387 ft. (423m)	Unlighted
Communication Tower	1.5 nautical miles southeast of aerodrome	1115 ft. (340m) ASL 232 ft. (71m) AGL	Red Obstacle
Communication Tower	2.0 nautical miles southwest of aerodrome	1136 ft. (346m) ASL 230 ft. (70m) AGL	Red Obstacle
Communication Tower	2.75 nautical miles east of aerodrome	1080 ft. (329m) ASL 197 ft. (60m) AGL	Red Obstacle
Communications Tower	3.0 nautical miles northwest of aerodrome.	1280 ft (390m) ASL 230 ft. (70m) AGL	Red Obstacle
Communications Tower	3.5 nautical miles northwest of aerodrome.	1634 ft. (498m) ASL 420 ft. (128m) AGL	Red Obstacle
Communications Tower	4.0 nautical miles southwest of aerodrome	978 ft. (298m) ASL 197 ft. (60m) AGL	Unlighted
Communications Tower	4.5 nautical miles north by northeast of aerodrome	1415 ft. (431m) ASL 240 ft. (73m) AGL	Red Obstacle
Communications Tower	4.75 nautical miles north of aerodrome	1475 ft. (145m) ASL 350 ft. (107m) AGL	Red Obstacle
Communications Tower	4.75 nautical miles southwest of aerodrome	1061 ft. (323m) ASL 246 ft. (75m) AGL	Unlighted
Communications Tower	5.0 nautical miles west of aerodrome	1280 ft. (390m) ASL 230 ft. (70m) AGL	Red Obstacle
Communications Tower	5.0 nautical miles west by northwest of aerodrome	1600 ft. (489m) ASL 350 ft. (107m) AGL	Red Obstacle
AWOS Antenna	210m south of runway centreline between Taxiway Charlie and Taxiway Alpha	30 ft AGL	Red Obstacle
MET Station Antenna	225m south of runway centreline between Taxiway Charlie and Taxiway Alpha	30 ft AGL	Red Obstacle

### 2.3 AERODROME LIGHTING

AERODROME LIGHTING				
Aerodrome Beacon	Type:	Rotating - 30 ft (9 m) AGL		
	Location:	Top of pole, 50 ft (15 m) SW of ATB		
Flight Manoeuvring Area Hazard Beacons	Type:	N/A		
	Location:	N/A		
Windsocks	Quantity:	2	Lighted:	Yes (2)
Aircraft Radio Control of Aerodrome Lighting (ARCAL)	Frequency:	122.7 MHz		
	Type:	K		
	Special Operating Instructions:	N/A		

**REMARKS:** Nil

### 2.4 AIRSIDE GUIDANCE SIGNS

See Appendix E for airside guidance sign locations, illumination type, and sign face information.

### 2.5 AERODROME MARKINGS

No airside road-holding position and/or information markers in place.

**2.6 RUNWAY DATA**

**2.6.1 Runway - 10/28**

RUNWAY		10	28
Lowest Landing Minima		Refer to CAP	Refer to CAP
Lowest Authorized Take off Minima		½ sm visibility	½ sm visibility
<b>PHYSICAL CHARACTERISTICS</b>			
Reference Code		4C -Non-precision	4C -Non-precision
True/Magnetic Bearings		086.42° (T) / 97.42° (M)	266.44° (T) / 277.44° (M)
Runway Dimensions		1829 m x 30 m (6001 ft x 100 ft)	
Runway Slope		Runway 10 – Down 0.80% first half	
Runway Surface Type		Asphalt	
Touchdown Zone Elevation		972 ft.	955 ft
Threshold	Coordinates (to 1/100 sec)	N44°29'07.88" W79°34'01.58"	N44°29'11.58" W79°32'38.96"
	Elevation	972 ft.	955 ft.
Displaced Threshold	Length	N/A	303 ft.
	Coordinate (to 1/100 sec)	N/A	44°29'11.39" 79°32'43.14"
	Elevation	N/A	955 ft.
Runway Strip	Dimensions (l x w) <sup>2</sup>	1949m x 150 m (6394 ft x 492 ft) <sup>2</sup>	
	Surface Type	Grass	
	Graded Area Width (lxw) <sup>2</sup>	75 m (246 ft ) <sup>2</sup>	
Stopway	Dimensions (l x w) <sup>2</sup>	N/A	N/A
	Surface type	N/A	N/A
Clearway	Dimensions (l x w) <sup>2</sup>	N/A	N/A
	Ground Profile	N/A	N/A
Runway End Safety Area	Dimensions (l x w)	90m x 60m (295 ft. x 197 ft.)	90m x 60m (295 ft. x 197 ft.)
	Surface Type	Grass	Grass
Declared Distances	TORA	6001 ft	6001 ft
	TODA	6001 ft	6001 ft
	ASDA	6001 ft	6001 ft
	LDA	6001 ft	5698 ft

OBSTACLE LIMITATION SURFACES		10	28
Approach Surface	Length of Inner Edge	75m (246 ft.) <sup>2</sup>	75m (246 ft.) <sup>2</sup>
	Distance from Threshold	60m (197 ft.)	Nil
	Divergence	15%	15%
	Length	3,000m (9,843 ft.)	3,000m (9,843 ft.)
	Slope	1:40 (2.5%)	1:40 (2.5%)
Transitional Surface Slope		14.3% (1:7)	14.3% (1:7)
Outer Surface	Elevation	N/A	N/A
	Dimensions	N/A	N/A
<b>LIGHTING<sup>4</sup></b>			
Runway Edge Lights <sup>5</sup>		Medium intensity (ME)	Medium intensity (ME)
Approach Lights		No	No
Approach Slope Indicator System		PAPI (P2)	PAPI (P2)
Lead-in Lighting Systems		No	No
Runway Identification Lights (RILS)		Yes	Yes
Runway Threshold Lights		Yes (6) (ME)	Yes (6) (ME)
Displaced Threshold Wing Bar Lights		No	Yes (6) (ME)
Runway End Lights		Yes (6) (ME)	Yes (6) (ME)
Centre Line Lights		No	No
Touchdown Zone Lights		No	No
Runway Exit Lights		No	No
Stopway Lights		No	No
(continued)			

**REMARKS:**

<sup>1</sup> ASL – means above mean sea level; and AGL – means above ground level;

<sup>2</sup> Width dimension, or length in the case of “inner edge” (OLS), is measured from the runway centre line (or extended centre line) to the runway strip or graded area boundary line (or extended strip or graded area boundary line), or to the end of the “inner edge”;

<sup>3</sup> Elevation is given “above mean sea level” (ASL) and “above aerodrome reference point” (AARP). The aerodrome reference point elevation used to determine the outer surface elevation is that of the lowest threshold, unless there is a difference of more than 50 ft (15 m) between the lowest and highest threshold, in which case the mean elevation is used. The assigned aerodrome reference point is located as near as practical to the geometric centre (GC) of the runway complex.

<sup>4</sup> See Appendix D for visual and non-visual navigation aids/facilities diagram; and

<sup>5</sup> Edge lights, 30 inches (76 cm) in height, are installed 10 ft (3 m) from edge of pavement.

<b>MARKERS AND MARKINGS</b>		<b>10</b>	<b>28</b>	
Markers	Threshold	No	No	
	Edge	No	No	
	Distance-to-Go	No	No	
Markings <sup>1</sup>	Runway Designation	Yes - 10	Yes - 28	
	Threshold	Yes	Yes	
	Displaced Threshold	Transverse Stripe	No	Yes
		Chevrons/Arrows	No	Yes
	Runway Centre Line	Yes	Yes	
	Aiming Point	Yes	Yes	
	Touchdown Zone	Yes	Yes	
	Runway Side Stripe	No	No	
	Taxi-Holding Position	Yes	Yes	

**REMARKS:**

<sup>1</sup> All runway markings are in accordance with TP 312, 4<sup>th</sup> Edition; and



## 2.7 TAXIWAY DATA

TAXIWAY		A	B	C
<b>PHYSICAL CHARACTERISTICS</b>				
Surface Type		Asphalt	Asphalt	Asphalt
Taxiway Code		C	C	C
Taxiway Width (full)		15 m (50 ft)	15 m (50 ft)	15 m (50 ft)
Strip Width		26 m (85 ft) <sup>1</sup>	26 m (85 ft) <sup>1</sup>	26 m (85 ft) <sup>1</sup>
Graded Area Width		12.5 m (40 ft) <sup>1</sup>	12.5 m (40 ft) <sup>1</sup>	12.5 m (40 ft) <sup>1</sup>
<b>LIGHTING<sup>2</sup></b>				
Taxiway Edge <sup>3</sup>		Medium intensity (ME)	Medium intensity (ME)	Medium intensity (ME)
Taxiway/Runway Intersection		Yes (dbl blue)	Yes (dbl blue)	No
Taxiway/Taxiway Intersection		Yes (dbl blue)	Yes (dbl blue)	Yes (dbl blue)
Taxiway/Apron Intersection		Yes (dbl amber)	Yes (dbl amber)	Yes (dbl amber)
Taxiway Centre Line		No	No	No
Stop Bar		No	No	No
Runway Guard Lights		No	No	No
<b>MARKERS AND MARKINGS</b>				
Markers	Edge	No	No	No
Markings <sup>4</sup>	Taxiway Centre Line	Yes	Yes	Yes
	Runway Exit	Yes	Yes	Yes
	Taxi-Holding Position and Pattern	Yes (A)	Yes (A)	Yes (A)
	Taxiway Intersection	No	No	Yes

### REMARKS:

<sup>1</sup> Width dimension is measured from the taxiway centre line (or extended centre line) to the taxiway strip or graded area boundary line;

<sup>2</sup> See Appendix D for visual and non-visual navigation aids/facilities diagram;

<sup>3</sup> All lights 0.76m (30 in.) in height, are installed 3m (10 ft.) from edge of pavement.

<sup>4</sup> All markings are in accordance with TP 312, 4<sup>th</sup> edition.

<b>TAXIWAY</b>		D		
<b>PHYSICAL CHARACTERISTICS</b>				
Surface Type		Asphalt		
Taxiway Code		C		
Taxiway Width (full)		15 m (50 ft)		
Strip Width		26 m (85 ft) <sup>1</sup>		
Graded Area Width		12.5 m (40 ft) <sup>1</sup>		
<b>LIGHTING<sup>2</sup></b>				
Taxiway Edge		Medium Intensity (ME)		
Taxiway/Runway Intersection		Yes (dbl blue)		
Taxiway/Taxiway Intersection		Yes (dbl blue)		
Taxiway/Apron Intersection		Yes (dbl blue)		
Taxiway Centre Line		No		
Stop Bar		No		
Runway Guard Lights		No		
<b>MARKERS AND MARKINGS</b>				
Markers	Edge	No		
Markings <sup>4</sup>	Taxiway Centre Line	Yes		
	Runway Exit	Yes		
	Taxi-Holding Position	Yes		
	Taxiway Intersection	Yes		

**REMARKS:**

<sup>1</sup> Width dimension is measured from the taxiway centre line (or extended centre line) to the taxiway strip or graded area boundary line;

<sup>2</sup> See Appendix D for visual and non-visual navigation aids/facilities diagram;

<sup>3</sup> All lights 0.76m (30 in.) in height, are installed 3m (10 ft.) from edge of pavement.

<sup>4</sup> All markings are in accordance with TP 312, 4<sup>th</sup> edition.

**2.8 APRON DATA**

APRON		1A	1B		
<b>PHYSICAL CHARACTERISTICS</b>					
Apron Dimensions		188m x 115m (615 ft. x 380 ft.)	100m x 144m (328 ft. x 471 ft.)		
Surface Type		Asphalt	Asphalt		
Apron Strip, i.e., distance unobstructed from edge		15m (49 ft)	7.5m (25 ft.)		
<b>LIGHTING<sup>1</sup></b>					
Apron Edge Lights <sup>2</sup>		Medium intensity (ME)	Medium intensity (ME)		
Flood Lights <sup>3</sup>		Yes	Yes		
<b>MARKERS AND MARKINGS</b>					
Markers	Edge	No	No		
Markings <sup>4</sup>	Apron Taxiway <sup>5</sup>	Yes	Yes		
	Aircraft Stand Taxilane <sup>5</sup>	No	Yes		
	Aircraft Stand	No	Yes		
	Apron Safety Lines	Vehicle Corridor	No	No	
		Equipment Restraint	No	No	
		Passenger Path Lines	No	No	
	Helicopter T/D Pad(s)	No	No		

**REMARKS:**

<sup>1</sup> See Appendix D for visual and non-visual navigation aids/facilities diagram;

<sup>2</sup> All lights 0.76m (30 in.) in height, are installed 3m (10 ft.) from edge of pavement.

<sup>3</sup> Flood lights are located adjacent to the apron, on top of 12m (40 ft) light standards;

<sup>4</sup> All markings are in accordance with TP 312, 4<sup>th</sup> edition.

<sup>5</sup> Taxilanes on the apron are not designated at this time. Taxilane clearance is 24.5m (80 ft.) on Apron 1A and 12m (39 ft.) on Apron 1B.

## 2.9 STRENGTH OF PAVEMENT

Airside pavement areas are designed and constructed to the following load rating as identified in the table below:

PAVEMENT AREA	PAVEMENT LOAD RATING (PLR)
Runway 10-28	9
Taxiway Alpha	9
Taxiway Bravo	9
Taxiway Charlie	9
Taxiway Delta	9
Apron 1A	9
Apron 1B	4
Private Aprons	5

See Appendix F for pavement load chart, where applicable.

## 2.10 HELICOPTER OPERATIONS

The Lake Simcoe Regional Airport has no dedicated helicopter Final Approach and Take off Areas (FATO), marked apron landing areas, or apron parking areas.

Hydro One Helicopter Service operates a year round helicopter base from their hangar, located west of the air terminal building. In addition, other general aviation helicopter operations occur in and out of the airport on a year round basis.

Approach and take off procedures are in accordance with helicopter standard operating practices and procedures.



PRYDE SCHROPP McCOMB  
A DIVISION OF GENIVAR

**APPENDIX B  
PRO FORMA ANALYSIS**





LAKE SIMCOE REGIONAL AIRPORT - DRAFT  
20 Year Pro Forma: 2011 to 2030 - Low Forecast  
Date: April 9, 2011  
ANALYSIS AND PRO FORMA

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL	
<b>Revenue</b>	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	\$22,440	
<b>Expenses</b>	\$19,000	\$19,380	\$19,768	\$20,153	\$20,538	\$20,923	\$21,308	\$21,693	\$22,078	\$22,463	\$22,848	\$23,233	\$23,618	\$24,003	\$24,388	\$24,773	\$25,158	\$25,543	\$25,928	\$26,313	\$26,698	
<b>Net Profit (Loss) Before Capital and Financing Costs</b>	\$3,440	\$3,060	\$2,672	\$2,287	\$1,902	\$1,517	\$1,132	\$747	\$362	\$-43	\$-481	\$-866	\$-1,251	\$-1,636	\$-2,021	\$-2,406	\$-2,791	\$-3,176	\$-3,561	\$-3,946	\$-4,331	
<b>Capital Costs</b>	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	
<b>Financing Costs</b>	\$59,260	\$62,316	\$65,372	\$68,428	\$71,484	\$74,540	\$77,596	\$80,652	\$83,708	\$86,764	\$89,820	\$92,876	\$95,932	\$98,988	\$102,044	\$105,100	\$108,156	\$111,212	\$114,268	\$117,324	\$120,380	
<b>Net Profit (Loss) Including Capital and Financing Costs</b>	(\$14,966,695)	(\$346,806)	(\$350,977)	(\$311,596)	(\$253,309)	(\$184,314)	(\$111,769)	(\$99,864)	(\$112,388)	(\$90,488)	(\$183,387)	(\$216,197)	(\$238,864)	(\$261,414)	(\$283,964)	(\$306,514)	(\$329,064)	(\$351,614)	(\$374,164)	(\$396,714)	(\$419,264)	(\$441,814)
<b>Subtotal: Operating Expenses</b>	\$756,500	\$771,530	\$787,063	\$802,804	\$818,850	\$835,237	\$851,942	\$868,981	\$886,360	\$904,081	\$922,149	\$940,573	\$959,352	\$978,485	\$997,972	\$1,017,814	\$1,037,914	\$1,058,271	\$1,078,884	\$1,099,752	\$1,120,884	
<b>NET PROFIT (LOSS) BEFORE CAPITAL AND FINANCING COSTS</b>	(\$449,769)	(\$283,991)	(\$284,992)	(\$306,543)	(\$283,836)	(\$180,311)	(\$58,431)	(\$74,876)	(\$103,227)	(\$183,887)	(\$204,933)	(\$226,061)	(\$248,604)	(\$272,428)	(\$292,428)	(\$312,407)	(\$332,340)	(\$352,228)	(\$372,071)	(\$391,869)	(\$411,621)	(\$431,328)
<b>CAPITAL COSTS</b>	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	\$87,666	
<b>FINANCING COSTS</b>	\$59,260	\$62,316	\$65,372	\$68,428	\$71,484	\$74,540	\$77,596	\$80,652	\$83,708	\$86,764	\$89,820	\$92,876	\$95,932	\$98,988	\$102,044	\$105,100	\$108,156	\$111,212	\$114,268	\$117,324	\$120,380	
<b>NET PROFIT (LOSS) INCLUDING CAPITAL AND FINANCING COSTS</b>	(\$14,966,695)	(\$346,806)	(\$350,977)	(\$311,596)	(\$253,309)	(\$184,314)	(\$111,769)	(\$99,864)	(\$112,388)	(\$90,488)	(\$183,387)	(\$216,197)	(\$238,864)	(\$261,414)	(\$283,964)	(\$306,514)	(\$329,064)	(\$351,614)	(\$374,164)	(\$396,714)	(\$419,264)	(\$441,814)





LAKE SIMCOE REGIONAL AIRPORT - DRAFT  
20 Year Pro Forma Financial Forecast  
Date: April 6, 2014

ANALYSIS AND PRO FORMA

Table with columns for years 2010-2030 and total, and rows categorized by Revenue (Leasing, Land Sale, Operating) and Costs (Operating Expenses, Other Operating Expenses).

Project # 0267





PRYDE SCHROPP McCOMB  
A DIVISION OF GENIVAR

**APPENDIX C  
COMMERCIAL DEVELOPMENT  
OPPORTUNITIES GUIDE**



(CYLS)

# Commercial Development Opportunities



# Airport Profile

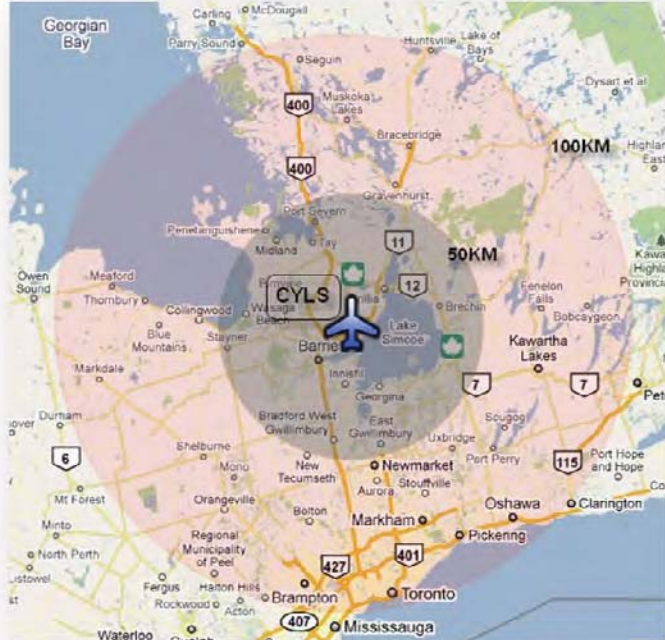
The Lake Simcoe Regional Airport is one of the newest and best positioned regional airport facilities in Canada. Located in one of the fastest growing regions of Ontario directly serving a population base over 400,000, the Lake Simcoe Regional Airport serves the County of Simcoe including the municipalities of Barrie, Orillia and the Township of Oro-Medonte. The Airport offers these users a convenient location in close proximity to both the Greater Toronto Area as well as pristine Central Ontario Cottage Country.

With its modern airport facilities and 6,001 ft. runway, the Lake Simcoe Regional Airport is able to serve a wide variety of aircraft ranging from small recreational and flight training aircraft to larger corporate, regional and commercial aircraft.

Fully serviced by the Canada Border Service Agency, the Lake Simcoe Regional Airport

maintains a Commercial Port-Of-Entry status, which allows the airport to accommodate both international passengers and freight. With all of these attributes, as well as easy access to major highway infrastructure the Lake Simcoe Regional Airport is a welcomed addition to the region and our partnering municipalities.

With the recently completed infrastructure expansion program in 2011, Lake Simcoe Regional Airport is well positioned to accommodate a wide range of aviation-related businesses and commercial development.



## Airport Facility Details

Lake Simcoe Regional Airport (CYLS) is a modern, well equipped facility designed to accommodate a wide range of aircraft including large corporate jets, turboprops, and narrow-body airliners including the B737-800.

### Airside Facilities

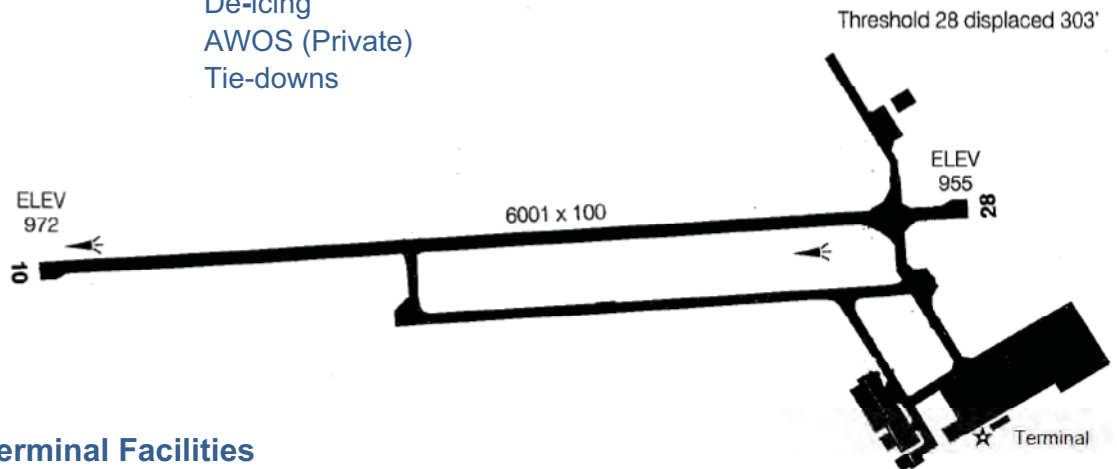
**Runway:** 6,001 ft. x 100 ft. lighted, non-precision approach.

**Approaches:** LNAV GNSS 368 ft. and 1¼ miles (Runway 10)  
385 ft. and 1¼ miles (Runway 28)

(New LPV approaches with minima down to 205-300 ft. are pending publication in late 2011/2012).

**Taxiways:** Code C (50 ft. width)

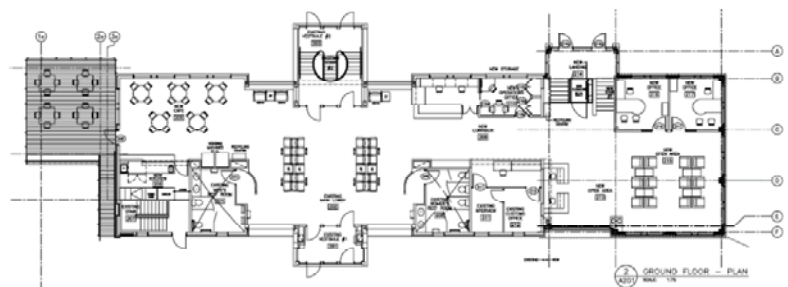
**Services:** Port of Entry Status  
Fuel (Jet A and 100LL)  
Ground Handling  
De-icing  
AWOS (Private)  
Tie-downs



### Terminal Facilities

Recently expanded terminal facilities which cater to corporate charter and business aviation needs include:

- Canada Customs
- Passenger Lounges
- Washrooms
- Check-in Counters
- Café
- Meeting Rooms
- Tenant Spaces
- Pilot's Lounge



# Community Profile

The catchment area served by the Lake Simcoe Regional Airport is vibrant and rapidly expanding community with a strong employment base comprised of manufacturing, public service and tourism sectors. The County of Simcoe, with a population of approximately 480,000 has the fourth highest growth rate in the Province of Ontario and the City of Barrie, with a population of 193,000, has the fastest growth rate of any Census Metropolitan Area in the province.



The Canadian Council on Learning's 2009 evaluation of more than 4,700 municipalities across Canada ranks Barrie as the 5th smartest city in Canada on the Composite Learning Index. The result is a talented labour pool, increased earnings and enhanced prosperity.

## Community Statistics

**Household Income:** \$84,921 (17% higher than the provincial average)

**Employment Rate:** 68% (versus 62.8 for the whole of Ontario)

### Major Employers :

CFB Borden	4,700 servicemen / civilian employees
Honda Canada	4,000 employees
Casino Rama	3,700 employees
Royal Victoria Hospital	2,100 employees
Georgian College	1,200 employees
Ontario Provincial Police	1,200 employees

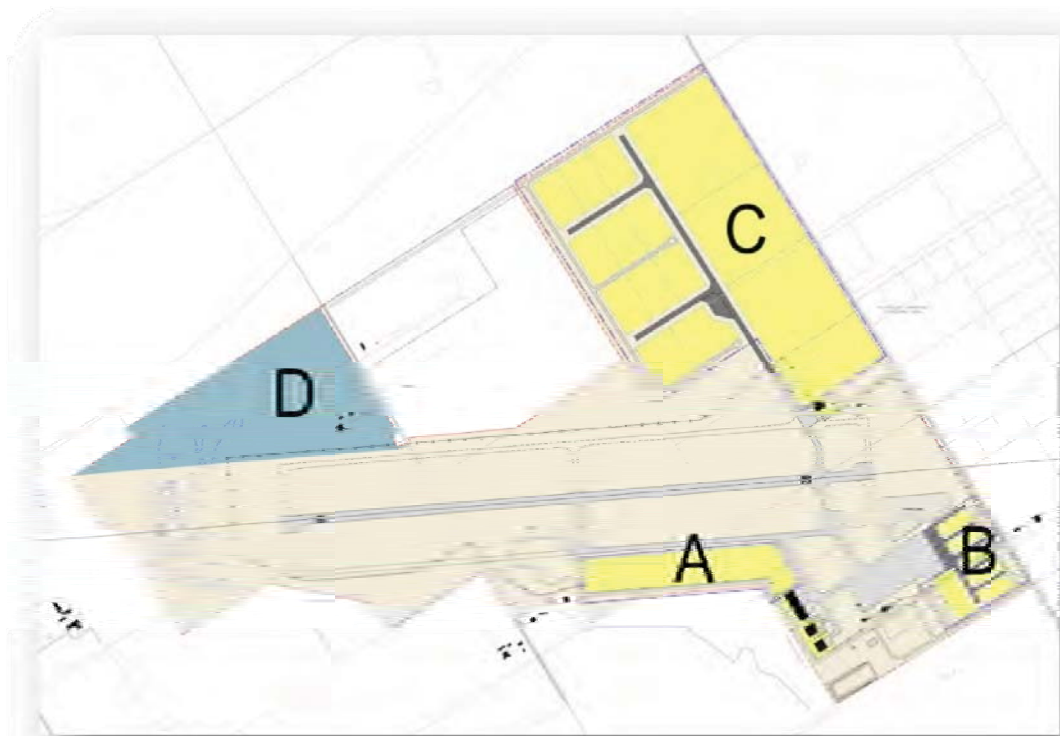
### Educational Institutions: (post secondary)

Georgian College  
Lakehead University



# Commercial Development Opportunities

Four areas are available for commercial development at Lake Simcoe Regional Airport.



**A Southwest Commercial Area (Lease)**

- Fully serviced lots ideal for general aviation businesses.

**B Southeast Commercial Area (Lease)**

- Un-serviced lots ideal for light corporate and private aircraft hangar development.

**C Northeast Commercial Area (Lease)**

- Un-serviced large lots ideal for large scale commercial developments.

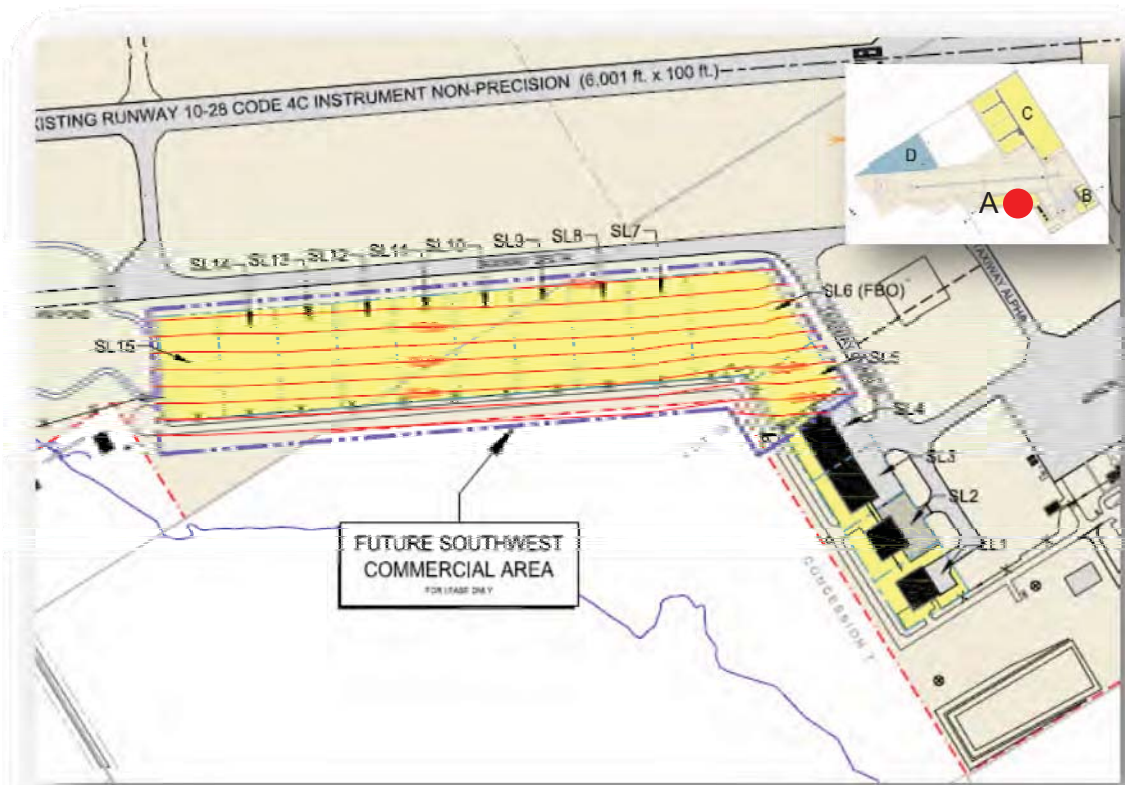
**D Northwest Non-Aviation Commercial Area (Lease)**

- Un-serviced area suitable for non-aviation related uses including agriculture.

## Recommended Land Use

Commercial Area	Land Tenure	Suitable Uses	Height Limitations
<b>Southwest (A)</b>	Lease	<ul style="list-style-type: none"> <li>• Corporate Aviation Operations</li> <li>• Executive Air Charter</li> <li>• Rotary Wing Operations</li> <li>• Flight Training</li> <li>• Aircraft/Avionics Maintenance</li> <li>• Aircraft Sales</li> <li>• Aircraft grooming</li> <li>• Shared aircraft hangars</li> <li>• Aerial Survey, Sightseeing</li> <li>• FBO Operations</li> </ul>	10m to 25m
<b>Southeast (B)</b>	Lease	<ul style="list-style-type: none"> <li>• Light Corporate Aviation Hangars</li> <li>• Private/Prestige Aircraft Hangars</li> <li>• T Hangars</li> <li>• Aircraft tie-down</li> </ul>	8m to 45m
<b>Northeast (C)</b>	Lease	<ul style="list-style-type: none"> <li>• Large aircraft maintenance repair (MRO) facilities</li> <li>• Aircraft painting/refurbishing</li> <li>• Airline maintenance</li> <li>• Manufacturing</li> <li>• Light industrial</li> <li>• Warehousing</li> <li>• Air cargo/courier facilities</li> </ul>	10m to 45m
<b>Northwest (D)</b>	Lease	<ul style="list-style-type: none"> <li>• Non-aviation uses</li> <li>• Agriculture</li> <li>• Recreational Uses</li> <li>• Solar farm</li> </ul>	7.5m to 41m

# Southwest Commercial Area

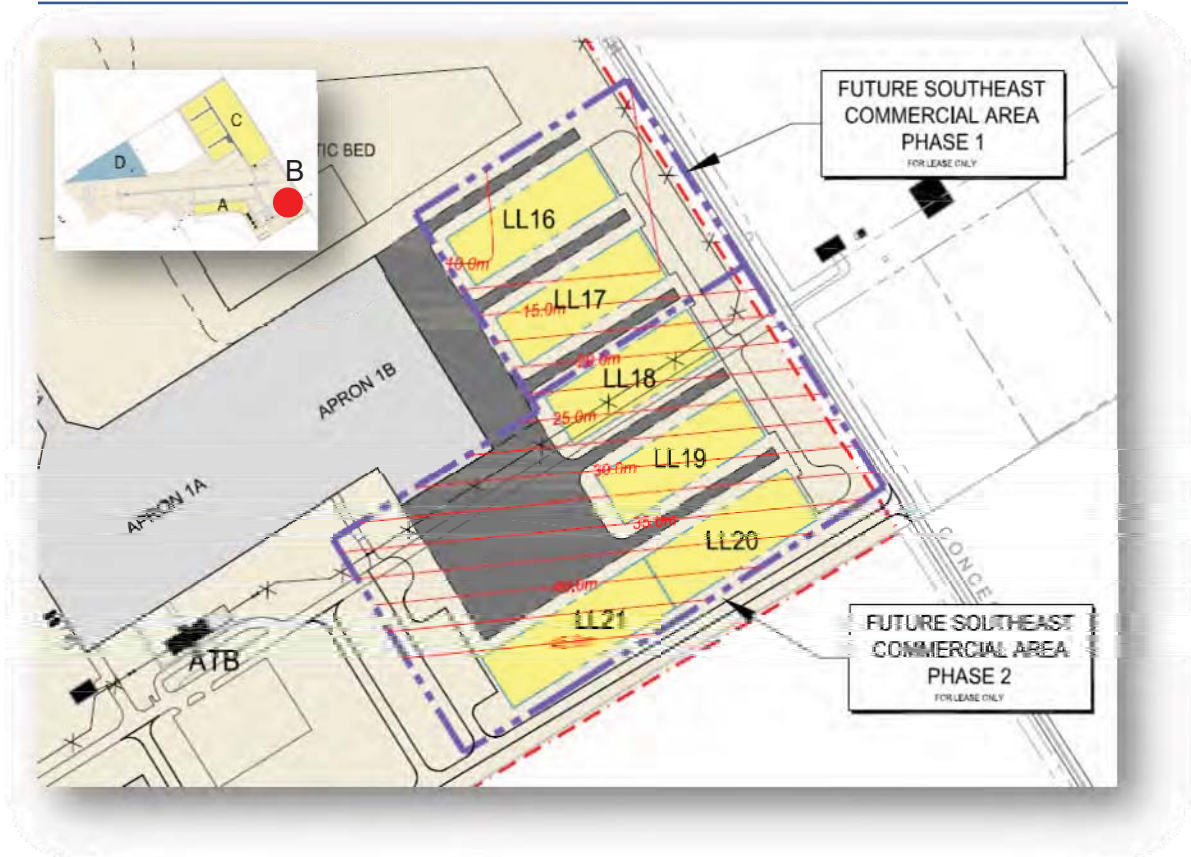


## Development Information

The Southwest Commercial Area is comprised of fully serviced lots with direct airside access to the primary Code C taxiway which parallels the 6,001ft x 100 ft (1,829m x 30m) Runway 10-28.

<b>Land Tenure Policy:</b>	Lease Only
<b>Total Development Area:</b>	6.61 ha (16.3 acres)
<b>Typical Lot Size:</b>	57.2 m x 102 m
<b>Typical Lot Area:</b>	.58 ha (1.43 acres)
<b>Height Limitations:</b>	10m (north side Lots SL6 – SL15), 22.5 m (Lot SL5)
<b>Airside Access:</b>	Code C (50 ft/15m) Taxiway (Taxiway Delta)
<b>Landside Access:</b>	Airport Road
<b>Services Available:</b>	Full Services

# Southeast Commercial Area



## Development Information

The Southeast Commercial Area is comprised of un-serviced lots served by Code B and Code A taxiways with direct airside access to the main apron.

<b>Land Tenure Policy:</b>	Lease Only
<b>Total Development Area:</b>	2.83 ha (7 acres)
<b>Typical Lot Size:</b>	35.24 m x 105.8 m
<b>Typical Lot Area:</b>	0.37 ha (0.9 acres)
<b>Height Limitations:</b>	8m (west portion Lot LL16) to 38 (Lot LL21)
<b>Airside Access:</b>	Code B (35 ft/10.5m) taxiway. Code A (25 ft/7.5m) taxiways serving individual lots.
<b>Landside Access:</b>	Access from Airport Road or directly from Line 7 N.
<b>Services Available:</b>	Power, Natural Gas

# Northeast Commercial Area



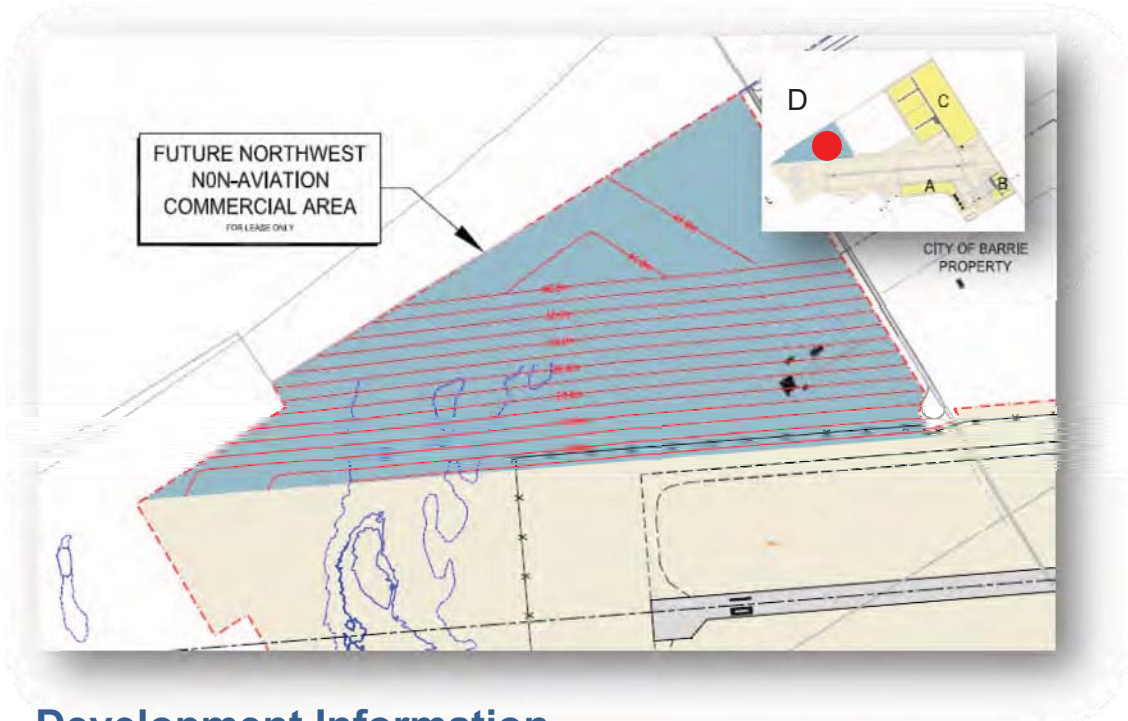
## Development Information

The Northeast Commercial Area is comprised of un-serviced lots with direct airside access to a Code C taxiway. Large lot development has direct access to 7 Line municipal road and services.

<b>Land Tenure Policy:</b>	Lease Only
<b>Total Development Area:</b>	48.13 ha (118.9 acres)
<b>Typical Lot Size:</b>	East of Taxiway Bravo 170 m x 294 m West of Taxiway Bravo 96.7 m x 160 m
<b>Typical Lot Area:</b>	East of Taxiway Bravo - +/- 5 ha (12.4 acres) West of Taxiway Bravo – 1.6 ha (3.95 acres)
<b>Height Limitations:</b>	10m (southern portion Lot SLL23) to 45m
<b>Airside Access:</b>	Code C (50 ft/15m) taxiway (Taxiway Bravo). Future development requires expansion of Taxiway Bravo.
<b>Landside Access:</b>	Direct access to Line 7 N. Access to lots west of Taxiway Bravo requires new road extension.
<b>Services Available:</b>	Power, Natural Gas (Lots adjacent to Line 7 N.)



# Northwest Non-Aviation Commercial Area



## Development Information

The Northwest Commercial Area is un-serviced with no access to airside. Suitable for non-aviation uses

<b>Land Tenure Policy:</b>	Lease Only
<b>Total Development Area:</b>	24.42 ha (60.3 acres)
<b>Typical Lot Size:</b>	NA
<b>Typical Lot Area:</b>	NA
<b>Height Limitations:</b>	7.5m (southern portion of area) to 41m (northern portion of area)
<b>Airside Access:</b>	No
<b>Landside Access:</b>	Line 6 N.
<b>Services Available:</b>	Power

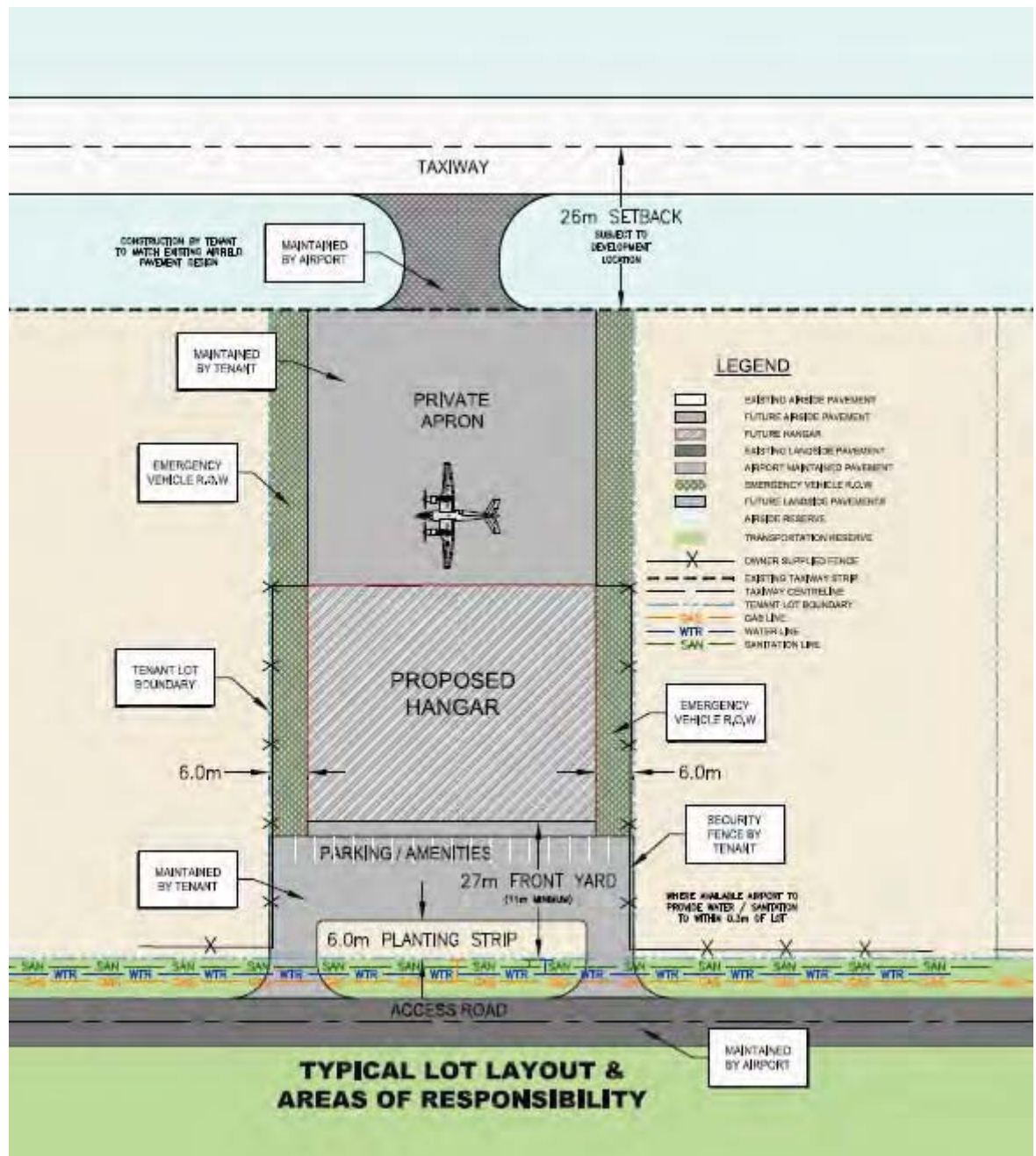
Note: Portions of area include wetlands.

# Commercial Development Fees

Description	Fee
<b>Lease Term</b>	Negotiable. Minimum 20 year lease comprised of an initial term of 5 years followed by 3 consecutive renewal terms of five years.
<b>Lease Administration Fee</b>	Fee payable at the time of the Preliminary Development Submission or at any time when changes to existing leases are required (i.e. assignment of lease, new terms, or renewal).
<b>Development Service Fee</b> (one time fee)	\$0.45/ft <sup>2</sup> (Building area) The Airport will draw upon this fee as required to review the development application. The unused portion of the fee will be returned to the tenant.
<b>Airport Development Levy</b> (one time fee)	\$5.16/ft <sup>2</sup> (Building area) Excludes space used for storage of aircraft)
<b>Airport Development Permit Fee</b> (one time fee)	\$1.00/ft <sup>2</sup> (Building area) The Airport will draw upon this fee as required to review the development permit submission and provide periodic site review as required. The unused portion of the fee will be returned to the tenant.
<b>Land Lease – Serviced Lots</b> (annual fee)	\$0.31/ft <sup>2</sup> (Lot area)
<b>Land Lease – Unserviced Lots</b> (annual fee)	\$0.138/ft <sup>2</sup> (Lot area)
<b>Airport Maintenance Charge (AMC)</b> (annual fee)	\$0.10/ft <sup>2</sup> (Lot area)
<b>Water/Sewer Connection Fee</b> (one time fee)	\$20,000
<b>Fire Service Connection Fee</b> (one time fee)	\$2,500
<b>Water Charges</b> (annual fee)	\$600/year (up to 150 m <sup>3</sup> ) \$0.75/m <sup>3</sup> (150 m <sup>3</sup> – 275 m <sup>3</sup> ) \$1.00/m <sup>3</sup> (+ 275 m <sup>3</sup> )
<b>Sewer Charges</b> (annual fee)	Same as Water Charge
<b>Development Security Fee</b> (one time fee)	Performance Bond or Line of Credit. To be determined based on scale of project prior to commencement of construction.



# Site Planning Guidelines





## Contact Information

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