



BUSINESS DEVELOPMENT MEMORANDUM

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TO: MAYOR J. LEHMAN AND MEMBERS OF COUNCIL

FROM: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT

NOTED: Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: LAKE SIMCOE REGIONAL AIRPORT BUSINESS OPPORTUNITIES AND
INFRASTRUCTURE REQUIREMENTS

DATE: MAY 13, 2019

The purpose of this Memorandum is to provide members of Council with an update concerning the Lake Simcoe Regional Airport (LSRA) and ongoing work with business prospects as well as Lake Simcoe Regional Airport's (LSRA) strategic plan, further to the Direct Motion presented by Deputy Mayor B Ward and Councillor R Thomson as part of the City Council agenda for May 13th, 2019.

LSRA Strategic Plan and Council Direction:

On June 18th, 2018, Council approved Motion 18-G-154 regarding the Lake Simcoe Regional Airport (LSRA) as follows:

'That the Lake Simcoe Regional Airport (LSRA) Strategic Plan be endorsed, in principle and that staff in Invest Barrie and the Finance Department review the LSRA Strategy Plan and report back to General Committee on the business case and recommendations for funding alternatives including opportunities to work with our airport partners to obtain infrastructure funding from other levels of government'

The strategic plan for the Lake Simcoe Regional Airport (LSRA) presented a three-phase plan that focused on developing infrastructure in Phase 1 to position the airport to enhance corporate aviation and MRO (Maintenance, Repair, Operations) business. Phases 2 and 3 were identified as a future state that would be demand-based and expand airport users to include commercial travel.

More specifically, the primary objectives of Phase I identified the following improvements to airside infrastructure that would address operational constraints identified by current operators and position the Airport to attract and sustain additional corporate aviation activity:

- Undertake Airport Certification and Registered Airport Zoning Protection
- Extend runway from the current 6,001 ft. (1,829 m) to 7,000 ft. (2,134 m) and widen the runway from the current 100 ft. (30 m) to 150 ft. (45 m)
- Enhance Electronic and Visual Aids including the installation of an approach lighting system
- Undertake a Master Servicing Plan for un-serviced Commercial Development Areas
- Enhance airport support services and related infrastructure
- Acquire additional lands
- Prepare business development strategy

The high-level estimated costs of implementing Phase 1 identified in the strategic plan totalled \$27.5M.

Per Council's direction in 2018, the Finance Department and Invest Barrie Staff have been reviewing the Lake Simcoe Regional Airport (LSRA) strategic plan and are awaiting the completion of an Economic Impact Study for the Lake Simcoe Regional Airport (LSRA) in order to complete their analysis of the business case. This study is expected to be completed in Spring, 2019.



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Lake Simcoe Regional Airport (LSRA) Business Opportunities:

During the same time the Strategic Plan was being finalized and presented to Shareholders, the Lake Simcoe Regional Airport (LSRA) had been approached with several investment inquiries in both MRO and manufacturing-type industries, seeking land to expand and/or relocate their businesses to the Lake Simcoe Regional Airport (LSRA). Specifically, these opportunities required development of the Northeast Commercial Area of the airport, which is currently unserviced, raw land. Appendix 'A' provides a map of the Lake Simcoe Regional Airport (LSRA) and identifies the Northeast Commercial Area. The Economic/Business Development Offices of the City of Barrie, County of Simcoe and Township of Oro Medonte were engaged directly to support the Lake Simcoe Regional Airport (LSRA) in their investment lead development. Additionally, as the team worked through the lead development process, it was identified that the Lake Simcoe Regional Airport (LSRA) had been short-listed by two substantial airport users for the expansion/relocation of their business operations. The opportunities present significant, quality employment and investment that would benefit the entire area. Timing for the projects ranged from 12 to 24 months for decision and implementation.

It is important to note, that in order to protect the commercial and strategic business interests of the leads, and in keeping with economic development standard operating practices, the identities of the leads remain confidential at this time.

Of the four total investment leads, three identified that base infrastructure required in order for them to locate at the Lake Simcoe Regional Airport (LSRA) included the expansion of the runway to 7,000 feet in length and 150 feet in width. Further, given the projected employment of the users, a water/wastewater servicing solution would also be critical. Based on the development timeline and infrastructure needs of these leads, the Lake Simcoe Regional Airport (LSRA) Board approved preliminary analysis and design work in August, 2018, to assess the scope of work that would be required for the runway expansion and water/wastewater servicing. Specifically, the Lake Simcoe Regional Airport (LSRA) has undertaken a water/wastewater servicing plan for the Northeast Commercial Area to address both short term and long term servicing options for area. In addition, the Lake Simcoe Regional Airport (LSRA) has also undertaken preliminary design work for the runway extension to refine the scope of earthworks required and assess construction timelines, business impact and cost estimates. Work on both of these studies are expected to be completed in the next 30-60 days.

Request from Lake Simcoe Regional Airport Board (LSRA) to Shareholders:

In response to the presented investment opportunities, associated timelines and key infrastructure requirements, and to ensure Lake Simcoe Regional Airport (LSRA) maintains competitive in the site selection process, the Board of the Lake Simcoe Regional Airport has passed a motion requesting that the shareholders (City of Barrie, County of Simcoe and Township of Oro Medonte) consider the required investments needed to accommodate servicing and the expansions outlined in Phases 1 and 2 of the strategic plan and their associated financing.

The intent of the motion was to request that, should the airport secure the business investment(s) from the leads identified, the shareholders consider accelerating approval of the work identified in phases 1 and 2 of the Lake Simcoe Regional Airport (LSRA) strategy, as well as other works including water and wastewater servicing.

To facilitate this request, and to provide options for accelerating the work, it is proposed that staff from the shareholder organizations jointly review the required work and determine cost-sharing and appropriate funding sources, and report back to Council with a financing model prior to the July recess.



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Proceeding with development of the financial model sends a strong message to investors of the City's support for development and their timelines. While Council will still have the opportunity to assess the required investment should the Lake Simcoe Regional Airport (LSRA) be selected for industrial business investments, providing direction for the financing model shows the City's commitment to developing high quality employment opportunities at the airport, and will allow City staff to work with staff from Simcoe County and Oro Medonte to develop alternative funding options. As part of the financing model the City would contemplate a reduction in its share of ownership in the Lake Simcoe Regional Airport (LSRA) and pursue opportunities for financial support from other levels of Government.

The financing model will further inform the report back to Council regarding the Lake Simcoe Regional Airport (LSRA) Strategic Plan. The plan was endorsed in principle by Council on June 18th, 2018 and is awaiting a report back from staff in Invest Barrie and the Finance Department on the business case and recommendations for funding alternatives.

Direct Motion:

As noted earlier in this memorandum, Deputy Mayor Ward and Councillor Thomson have included a Direct Motion on the City Council agenda for May 13, 2019 that supports motion of the Board of the Lake Simcoe Regional Airport to consider the investments necessary to accommodate the investment opportunities. If the Direct Motion is supported, staff would report back prior to the July recess.

APPENDIX "A"

SUBJECT SITE

