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<b>TO:</b>	<b>GENERAL COMMITTEE</b>
<b>SUBJECT:</b>	<b>LAKE SIMCOE REGIONAL AIRPORT RUNWAY WIDENING – ALLOCATION OF CITY FUNDING PORTION</b>
<b>WARD:</b>	<b>ALL</b>
<b>PREPARED BY AND KEY CONTACT:</b>	<b>S. SCHLICHTER, DIRECTOR ECONOMIC &amp; CREATIVE DEVELOPMENT, X5036</b>
<b>SUBMITTED BY:</b>	<b>S. SCHLICHTER, DIRECTOR ECONOMIC &amp; CREATIVE DEVELOPMENT</b>
<b>GENERAL MANAGER APPROVAL:</b>	<b>A. MILLER, GENERAL MANAGER, RPP, INFRASTRUCTURE &amp; GROWTH MANAGEMENT</b>
<b>CHIEF ADMINISTRATIVE OFFICER APPROVAL:</b>	<b>M. PROWSE, CHIEF ADMINISTRATIVE OFFICER</b>

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#### **RECOMMENDED MOTION**

1. That the City of Barrie confirm their commitment to the expansion of the runway at the LSRA through the allocation of project funding in the amount of \$510,220 as outlined in Staff Report ECD013-20;
2. That the funding for the project be funded from the Airport Infrastructure Reserve.

#### **PURPOSE & BACKGROUND**

3. The purpose of this report is to approve the City's portion of capital funding, as a 10% co-owner of the Lake Simcoe Regional Airport for the expansion of the runway and for the allocation of the funds to come from the Airport Infrastructure Reserve.
4. On January 1, 2020, the City of Barrie reduced its ownership share to 10% in the Lake Simcoe Regional Airport (LSRA), with the County of Simcoe holding the remaining 90%. Confirming the commitment to support the LSRA as a broader regional economic asset.
5. Through the LSRA Strategic Plan, which was approved in Principle, in 2018, the Airport has been moving forward on developing their strategic advantage. One of the first objectives within the LSRA Strategic Plan is the expansion of the present runway to address operational constraints and allow for larger and heavier aircraft to access the Airport. The County of Simcoe and the LSRA applied for grant funding through the Southwestern Ontario Development Fund (SOWDF) in the amount of \$1.5 million towards the runway widening and phase 1 of the runway expansion project. Phase 2 of the expansion is the extension (lengthening) of the runway.
6. The LSRA Strategic Plan that outlines a demand-based, phased in approach to the development of the LSRA where expenditures will only be initiated when there is a reasonable expectation that business will be forth coming. The overall cost of implementing the Strategic Plan is estimated to be approximately \$60 million.,.

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7. The first phase of the Strategic Plan is to capitalize on new private investment opportunities and immediately improve LSRA's competitive position. In the short to medium term, the vision for the LSRA is to position itself as a leader in corporate aviation activity. The current runway design, with a length of 6,001 feet and a width of 100 ft. is a potential operational constraint to those who operate medium to large corporate aircraft. Extending the runway to 7,000 ft. would permit medium sized corporate aircraft such as the Learjet 45 to operate at maximum take-off weight under dry and wet runway conditions, and would allow the largest intercontinental corporate jets to operate at maximum takeoff weight under dry runway conditions, and near their maximum weight under wet runway conditions.
  8. In addition to extending the runway, widening the runway from 100 ft. to 150 ft. provides additional margin of safety for larger aircraft, especially during periods when the runway is wet or contaminated with snow. In the medium to longer term, the vision for the LSRA is to become a full-service regional airport with the capability to accommodate regional scheduled air service, ultra-low-cost airlines, and leisure flights to sun destinations.
  9. Widening of the runway from 100 ft. to 150 ft. is the first phase of the runway expansion.
  10. The LSRA is a member of the Southern Ontario Airport Network (SOAN) which was established to grow the aerospace industry in Ontario as Toronto Pearson International Airport (Pearson Airport) approaches its flight and land capacities. SOAN is comprised of 12 of the most commercially significant airports within southern Ontario, and the network works together on the attraction and retention of aerospace opportunities.
  11. Through SOAN, LSRA has received investment inquiries from different aerospace companies. These investment inquiries have made it known in order to attract significant future investment opportunities, there is a need for expansion at LSRA, including expansion of the runway. The total estimated cost of the widening of the LSRA runway is \$6,602,260.
  12. The major activities and expenditures associated with the widening of the runway as developed for the funding application made under the SWODF total \$4,368,500 and include earthworks/pavement, stormwater works, restoration work, and electrical works/upgrades.
  13. The City's funding allocation requested by LSRA totals \$510,226, of which \$482,250 is directly allocated to reflect the City of Barrie's contribution towards the eligible costs under the SWODF application. The remaining is allocated to ineligible project construction costs.
  14. In preparation of the runway widening LSRA has undertaken the preliminary design of the runway extension in 2019, along with Stage 2 Archaeological and Heritage Assessments. The runway widening project is shovel-ready and can be implemented immediately. The preliminary design has been approved by County staff and Detailed Design is in progress including completion of the Tender Documents.
  15. In general, the project would be tendered in July 2020 and awarded in August 2020. Construction would be initiated in September through November 2020 and completed in May-June 2021. Construction has been scheduled to minimize impacts to the airport by reducing the runway closure periods. The airport will always remain open to helicopter activity and through special arrangement during construction, access will be provided to key users like the OPP for their fixed wing operations. The periods of impact on the runway will be limited to about 6 weeks in 2020 and about 6 weeks in 2021.
  16. In January 2019, the County of Simcoe applied to the SWODF on behalf LSRA for the runway widening. The SWODF provides support for projects and investments to businesses, municipalities,

and not-for-profit organizations for strategic economic development projects in southwestern Ontario. Municipalities can apply for the program if an infrastructure project or implementing of a strategy will lead to the creation or retention of jobs within their region. Projects eligible for this program must be projected to close over \$100,000 and have private sector support. Under the guidelines of this program, the Province of Ontario will provide municipalities with a maximum of \$1.5 million in funding for capital and associated expenditures

## **ANALYSIS**

17. County Staff have been working with the Province of Ontario through the Ministry of Economic Development, Job Creation and Trade to finalize details related to the grant application and would be the signatories on the grant agreement. All works and documentation for the project must be completed by December 31, 2022, to receive the full funding. County and LSRA staff have reviewed the contract and find that timelines, milestone requirements and report backs are all within the ability of the County/LSRA to undertake.
18. Commitment of the City's contribution and support of the project is due by July 6<sup>th</sup>, 2020.
19. The LSRA is a key economic asset for the City of Barrie and located within the County of Simcoe and is well positioned to grow in the coming years. Pearson Airport is approaching flight and land capacity, leading to aerospace investment opportunities for regional airports around the Greater Toronto Area. LSRA's location with access to designated employment land and Canadian Customs has been highlighted as advantages for potential investment by some key players in the aerospace industry.
20. A primary objective of Phase 1 of the Airport Development Strategy is to undertake improvements to airside infrastructure that in turn would address operational constraints identified by current operators and position the airport to attract and sustain additional corporate activity. The runway expansion will open new markets for business, specifically corporate aviation (passenger and freight), and will encourage new cluster development and innovation to occur at the LSRA. The project is beneficial to the region in many ways as it will stimulate private sector development by improving the LSRA's competitive position and enable new opportunities in advanced manufacturing and aerospace.

## **ENVIRONMENTAL MATTERS**

21. There are no environmental matters related to the recommendation.

## **ALTERNATIVES**

22. The following alternatives are available for consideration by General Committee:

### **Alternative #1**

General Committee could decide to not to approve the funding commitment for the LSRA runway widening.

This alternative is not recommended as the LSRA is a strategic asset and the City retains 10% share ownership. The runway widening is a key component of their strategic plan that will further the LSRA's competitiveness and ability to attract investment.

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**FINANCIAL**

23. The runway widening project will be managed by the LSRA. The overall estimated expenditures for the LSRA runway widening are \$6,602,260.
24. The City's funding allocation requested by LSRA totals \$510,226, of which \$482,250 is directly allocated to reflect the City of Barrie's contribution towards the eligible costs under the SWODF application. The remaining is allocated to ineligible project construction costs.
25. As part of the City's transfer of ownership and Airport Infrastructure Reserve account was created to support the LSRA's infrastructure projects as part of its strategic plan. The requested funding is available within the reserve and will not impact the tax base.

**LINKAGE TO 2018-2022 COUNCIL STRATEGIC PLAN**

26. The recommendation(s) included in this Staff Report support the following goals identified in the 2018 - 2022 Strategic Plan:  
  
    Growing Our Economy
27. The LSRA is a key economic asset for the City of Barrie and is well positioned to grow in the coming years. Investing in runway improvements will advance the LSRA's competitive position and enable new opportunities in advanced manufacturing and aerospace.