

# **STRATEGIC PLAN with Economic Analysis Final Report**



## **Parry Sound Area Municipal Airport and Business Park**

**July 26, 2018**

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## 1. Executive Summary

The Parry Sound Area Municipal Airport and Business Park is a regional success story. From small beginnings in 1979, the Airport (CNK4) has grown steadily to play an increasingly important role in the economy and development of the Parry Sound region and Seguin Township. By many measures, the airport has been among the top-performing general aviation airport in Ontario. The airport has also attracted significant amounts of federal and provincial capital funding to support infrastructure development, and the airport plans to continue its history of improvements.

The airport serves the region with numerous services, including general aviation traffic such as Air Ambulance, Hydro One Helicopters, the Ontario Provincial Police, and Search and Rescue. The airport is registered with the Canadian Border Service Agency (CBSA) for CANPASS, which facilitates private and commercial aircraft arriving/departing to the US. The airport supports approximately 8,000 itinerant aircraft movements annually. It has 37 aviation hangars plus an Air Terminal Building. An additional seven (7) non-aviation-related buildings plus a land lease with Superior Propane are located within the airport's business park for non-aviation activities. Since 2003, the Parry Sound Airport has outperformed its peer airports in central Ontario by most measures.

### CNK4 Growth Comparison Analysis (see benchmarking section)

Measure	Percentage change	Rank
New Hangars	540%	1
Business Park Development	800%	1
Lease Revenue	659%	1
Municipal Tax Generation	297%	1
Municipal Levy	- 37%	1

As the table above shows, the annual airport levy has declined from \$79,560 to \$50,000 in 2017, a 37% decrease. For the tax payers, they provide the Airport with a little over one dollar per year. In comparison, similar size and neighboring airports receive a much larger financial assistance from their contributing municipalities.

Benchmark	Airport	Municipal Contribution	Change since 2003	Tax Payers Average Contribution
Municipal Financial Contribution	Parry Sound	50 000 \$	-37%	\$1.06
	Owen Sound	110 000 \$	0%	\$5.15
	Wiarton	710 370 \$	198%	\$67.78
	Earlton	157 550 \$	169%	\$4.88
	Muskoka	308 000 \$	723%	\$5.08

In terms of the economic impact of the Airport in the region, a survey of employers and their impact in the community was undertaken. Sixteen (16) employers operate at the site and employ 69 full-time and part-time employees. The graph below shows the economic impacts associated to FTE jobs (direct impacts), other jobs in the community per sub-contracted works (indirect impacts) and jobs related to associated spending (induced impacts).

### Summary of Ongoing Impacts

	Employment (FTE Jobs)	Income (millions)	GDP (millions)	Output (millions)
<b>Direct</b>	63	\$4.2	\$5.5	\$10.7
<b>Indirect</b>	25	\$1.6	\$2.5	\$4.8
<b>Induced</b>	16	\$0.9	\$1.9	\$3.2
<b>TOTAL</b>	104	\$6.7	\$9.8	\$18.7

Based on discussions with the airport operator and businesses on-site, Future Potential Direct Impacts were also estimated. These are based on current plans and a conservative approach. This would include three (3) direct service jobs, three (3) aviation, and nine (9) industry-related jobs.

### Potential Direct and Total Employment

	Employment (Jobs)	Income	Taxes (municipal)
<b>Direct</b>	15	\$925,000	\$ 55 000
<b>Indirect</b>	4.4	\$284,000	\$ 17 000
<b>Induced</b>	4.1	\$239,000	\$ 10 000
<b>TOTAL</b>	23.5	\$1,448,000	\$ 82 000

CNK4 does not maintain statistics on the types of flights happening at the airport, which limited our capacity to integrate transient traffic impacts in the calculation model. These aircraft are carrying tourists, cottagers, residents, workers and aviation crew who will be staying in the community for a few hours up to a few weeks. A recent study conducted by Muskoka Airport estimate the average dollar amount spent, per visit, per type of airport user to \$318 per person for transient visitors, \$251 for business travelers and \$182 for recreational visitors. Translating these values into hundreds and thousands of visitors annually to CNK4 and the region would add-up in the millions of dollars of direct economic impacts notwithstanding the indirect and induced impacts.

## **Business Park**

The airport business park designated lands total approximately 164 acres. Of this amount, approximately 145 acres are considered to be developable and can be organized into customized sizes. To develop the park a market analysis was conducted identifying light manufacturing, assembly, storage, and installation, geared towards the cottage country lifestyle as the main sectors to be targeted for investment attraction. More specifically, the analysis suggested targeting the following industry sub-categories:

- Seasonal equipment manufacturing (Floating docks, Muskoka chairs, etc.);
- Housing and construction;
- Sports, water and outdoor equipment manufacturing and maintenance;
- Heavy equipment manufacturing and rental; and
- Light manufacturing in general.

Beyond the sectors, the Airport Commission has shown leadership and a willingness to be involved in supporting new investment. The CNK4 team is also praised by its tenants for the sense of community it generates and brings to the Airport. Among the other decision-making factors, the location, accessibility from Highway 400 and leasable lands (compared to purchase-only) were the most cited elements. From the old adage “Location, Location, Location”, the ABP main attraction factors are its proximity to the Greater Muskoka’s, the Barrie Area to the south and the Town of Parry Sound to the north.

## **Development Costs**

As part of the capital analysis completed for this project, the development costs for the next phases of the business park development were analyzed by Tetra Tech Engineering, assuming that the airport would provide new road access and development site preparation for the developers to build.

### **Estimated Cost of New Development Land Preparation**

**Figure A – Investment Shares** Engineering cost at 15% and a project contingency of 20%.

Item	Tetra Tech
Industrial Road Extension	\$300,000
Development Parcel	\$1,030,000
Access Road to Northwest of taxiway	\$85,000
Environmental Assessment	\$27,000
<b>TOTAL</b>	<b>\$1,442,000</b>

Partners	Amount
Federal Government	\$648,900
Provincial Government	\$648,900
CNK 4	\$144,200
<b>TOTAL</b>	<b>\$1,442,000</b>

CNK4 is presently reviewing its development charges policy with the option of transferring this cost to tenants. If this policy is enacted upon, CNK4 would still have to upfront the development cost, but would recover its expenses over a non-define period of time.

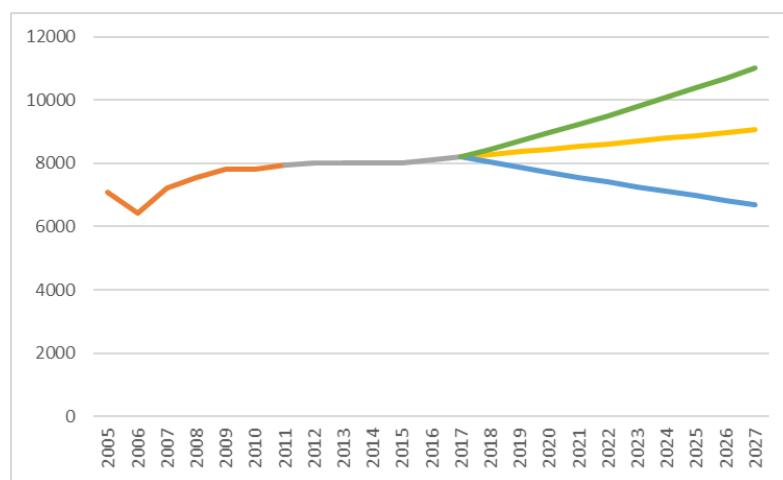
Along the same line, airport assets were evaluated to determine short and mid-term financial requirements. This analysis does not include the runway situation, which is addressed in another section of the report. From the chart and text below in Appendix E, the annualized capital requirement is estimated at \$75,200 per year over the next 10 years.

### Runway Plan

Responding to increasing regional aviation demand, lost traffic to other regional airports, potential scheduled passenger services and the lack of development space to extend general aviation activities, the Parry Sound Area Municipal Airport and Business Park needs to develop options and plans to address these growing issues. One option would be to extend, widen and reorient its main runway (17-35). The current runway is too short and narrow for many standard corporate and passenger service aircraft used in Ontario.

Three (3) scenarios were created starting from 2017 and projecting forward 10 years. The high-growth scenario assumes growth primarily in corporate and private GA traffic to the region resulting from new businesses and tourism growth. This traffic increase would support the development of new and expanded infrastructure at the airport, including demand for new improved hangars and improved aviation services.

**Figure 1 - CNK4 Flight Scenario Projections (2017-2026)**



- A base scenario (in yellow), using historic growth trends and a resurfaced runway resulting in maintaining present aviation activity (estimated cost: 3.1 million);

- A high growth scenario (in green), assuming runway extension and realignment (9.14 million)
- A low growth scenario (in blue) with a declining state of the runway

Reorienting the runway also makes for a better alignment with predominant winds thus reducing safety concerns and wind challenges faced by aircraft and pilots landing and taking off. Runway expansion would also allow hosting aircraft that today divert to other airports. Being able to host these aircraft would support additional jobs and investment at the airport tied to maintenance, fuel sales, restaurant and other aviation services and the overall economic impact in the region. The Critical Aircraft for the extension is a Beechcraft 1900D, an aircraft that is already frequently landing at the airport, but with some limitations when the weather is acting up.

### Estimated Cost of Runway Remediation

Item	Total	Partners	Amount
Runway Construction	\$9,120,000	Federal Government	\$4,245,300
Connecting Taxiway Rehabilitation	\$123,000	Provincial Government	\$4,245,300
Apron Rehabilitation	\$182,000	CNK 4	\$943,400
<b>TOTAL</b>	<b>\$9,434,000</b>	<b>TOTAL</b>	<b>\$9,434,000</b>

The airport has been growing and thriving at a sizeable rate over the last fifteen years. It has turned around its finances, is almost at capacity in terms of hangars, its ramp is overflowing with aircraft and demand is there to expand the facilities. To meet these growth perspectives, the airport is faced with a small runway (length and width) that has exceeded its useful life time and, is land constrained in its general aviation area, apron and movement areas.

The airport is part of a growing community with a continuous influx from the Greater Toronto and international new residents. CNK4 is also the main economic and manufacturing pole of the region. To meet aviation and local businesses demand, the airport needs an extended runway allowing for safer operations, supporting the development of more secure aircraft movement areas, expanded hangar development area and hosting large corporate, government and passenger aircraft.

The Airport Commission, therefore, recommends the construction and extension of a new runway and the support of its partner municipalities as well as in obtaining provincial and federal government funding.



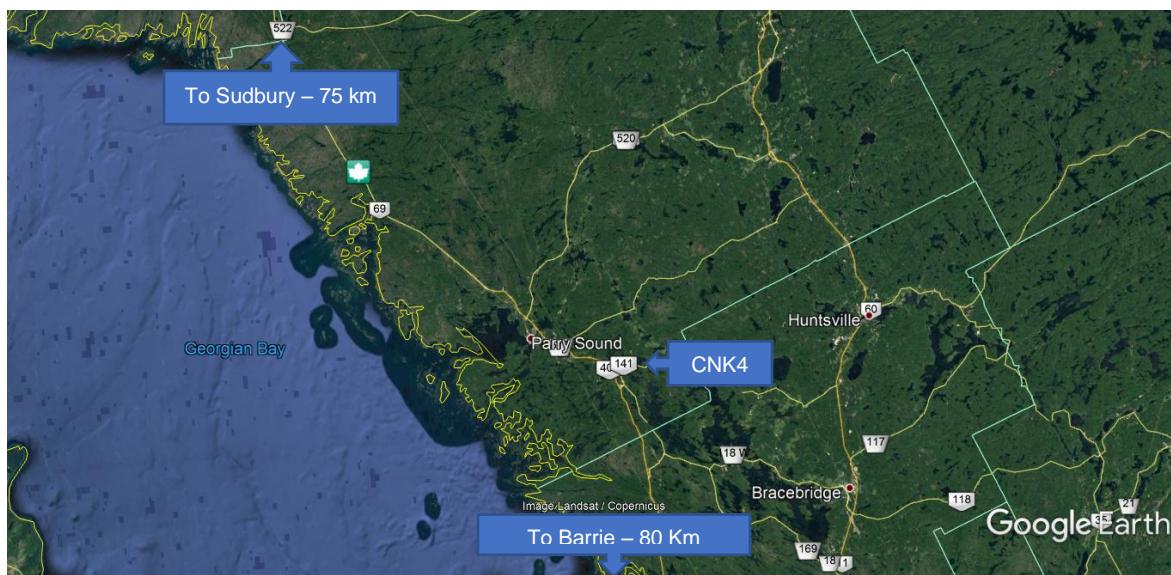
## 2. Airport Role and Economic Impact

The Parry Sound Area Municipal Airport and Business Park is a regional success story. From small beginnings in 1979, the Airport (CNK4) has grown steadily to play an increasingly important role in the economy and development of the Parry Sound region and Seguin Township. By many measures, the airport has been the top-performing general aviation airport in Ontario. These strong measures include new hangar development, business park development, lease revenue generation, contribution to municipal taxation, and declining municipal levy. The airport has also attracted significant amounts of federal and provincial capital funding to support infrastructure development, and the airport plans to continue its history of improvements.

### 2.1 Location

West Parry Sound is located some 225 kilometres north of the GTA and is bordered to the south by the Township of Seguin. The area is comprised of eight (8) organized municipalities, five (5) unorganized townships and four (4) First Nations. It has long been organized as a premier vacation seasonal residential destination and is home to Georgian Bay Biosphere Reserve, one of only 13 UNESCO sites in Canada.

The Parry Sound Area Municipal Airport and Business Park(CNK4) is located in Seguin Township some 16 kilometers south of the Town of Parry Sound off exit #207 from Highway 400. The airport serves a year-round population of 21,500, which expands to over 75,000 when the seasonal residents and transient tourists/visitors are included.



## 2.2 The Airport

The airport has a 4,000-foot asphalt runway (17/35) with an apron and medium-intensity pilot-controlled airfield lighting and PAPI (Precision Approach Path Indicator). A related floatplane base is located on Robert's Lake (CRL8) and connected to the airport via a short private access road. The Airport is a designated "Airport of Entry" and CANPASS certified facility. The Airport's Industrial Park is easily accessible from Highway 400 and is visible from the highway. Available fuel options on-site are 100LL and Jet-A.



## 2.3 The Airport Role

The airport serves the region with numerous services, including general aviation traffic such as Air Ambulance, Hydro One Helicopters, the Ontario Provincial Police, and Search and Rescue. The airport is registered with the Canadian Border Service Agency (CBSA) for CANPASS, which facilitates private and commercial aircraft arriving/departing to the US. The airport supports approximately 8,000 itinerant aircraft movements annually. The airport has 37 aviation hangars plus an Air Terminal Building. Additional seven (7) non-aviation-related buildings plus a land lease with Superior Propane are located within the airport's business park for non-aviation activities, and the site has room for expansion. Aviation-based businesses located airside includes Eagle Aircraft, FIG AIR, Lawrence Aero Enterprises, Near North Aviation, Parry Sound Air Service and Parry Sound Aviation.

## 2.4 Airport Benchmarks

Since 2000, the Parry Sound Airport has outperformed its peer airports in central Ontario by most measures. The peers are general aviation airports in the vicinity, including Owen Sound, Wiarton, Earlton, and Muskoka.

### Parry Sound Growth Comparison Summary

Measure	Percentage change	Rank
New Hangars	540%	1
Business Park Development	800%	1
Lease Revenue	659%	1
Municipal Tax Generation	297%	1
Municipal Levy	- 37%	1

The table below demonstrates the progress and growth at CNK4 compared to the peers. The peer airport that has the closest (but still by far) growth is Muskoka Airport, which benefit from a 6,000 feet runway and is certified. The benchmark includes number of hangars, volume of traffic, number of airside businesses, business park development and infrastructure improvements.

#### Benchmarks Details

Benchmark	Airport	Past Data*	Current Data (2017)	Variation
Number of hangars	<b>Parry Sound</b>	5 private hangars (8,160 sq. ft.)	32 private hangars (77,180 sq. ft.)	+ 27 hangars (69,020 sq. ft.)
	<b>Owen Sound</b>	18 private hangars	20 private hangars	+ 2 hangars
	<b>Wiarton</b>	8 private hangars	13 private hangars	+ 5 hangars
	<b>Earlton</b>	4 private hangars	4 private hangars	No variation
	<b>Muskoka</b>	16 private hangars (105,950 sq. ft.)	27 private hangars (210,310 sq. ft.)	+ 11 hangars (104,360 sq. ft.)
Volume of traffic	<b>Parry Sound</b>	6,500 (year 2006)	Approx. 9,000	+ 2,500
	<b>Owen Sound</b>	Movements from 2000 to 2018: Highs were 13,000 - Lows were 3,000 - Average in last 5 years: 8,000		
	<b>Wiarton</b>	N/A	2,500	N/A
	<b>Earlton</b>	3,220 (data from 2001)	26,074 (increase due to the flight school)	+ 22,854
	<b>Muskoka</b>	13,158	13,222	+ 64
Number of airside businesses	<b>Parry Sound</b>	2 airside businesses (20,600 sq. ft.)	6 airside businesses (30,150 sq. ft.)	+ 4 businesses (+ 9,550 sq. ft.)
	<b>Owen Sound</b>	1 airside business	1 airside business	No variation
	<b>Wiarton</b>	5 airside and 1 non-aviation businesses	5 airside and 1 non-aviation businesses	No variation
	<b>Earlton</b>	3 airside businesses	3 airside businesses	No variation
	<b>Muskoka</b>	8 airside businesses + 1 flight school	13 airside businesses + 1 flight school + 2 non-aviation (car rental)	+ 7 businesses
Business Park	<b>Parry Sound</b>	No business park	8 businesses in the business park (36,038 sq. ft.)	+ 8 businesses
	<b>Owen Sound</b>	No business park	No business park	No variation
	<b>Wiarton</b>	No business park	No business park	No variation
	<b>Earlton</b>	No business park	No business park	No variation
	<b>Muskoka</b>	Yes, 1 business	Yes, 1 business	No variation

Note: The data is for Parry Sound, 2003; Owen Sound and Wiarton, 2001; Earlton, 2008; and Muskoka, 2004.

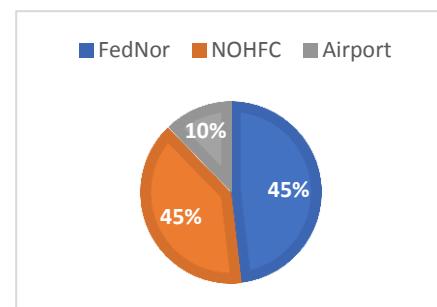
## 2.5 Capital Investment and Phasing

Since 2006, the Parry Sound Area Municipal Airport and Business Park has developed in seven (7) stages of spending close to \$6 million in funding from federal, provincial and local sources. During the same period, the airport has improved its roads, taxiways and aprons, added infrastructure as needed, hydro transformers, wells, septic systems and fire suppression system with holding tanks, pumping station and hydrants. The financial phasing is shown in the table below. The airport has had a strong ability to leverage funding. As the figure below shows, on average 45% of the funding was from federal sources (FedNor), another 45% from provincial sources (Northern Ontario Heritage Fund Corporation), and the airport itself paid for approximately ten (10%) percent of the capital investment over that decade.

### Sources of CKN4 Capital Investment

Funding Source					
Phase	Year	Fednor	NOHFC	Airport	Total Cost
1	2006	352,500	352,500	200,000	<b>905,000</b>
2	2008	22,500	22,500	5,000	<b>50,000</b>
3	2010	495,000	495,000	120,000	<b>1,110,000</b>
4	2011	495,450		55,050	<b>550,500</b>
5	2012	484,650	484,650	107,700	<b>1,077,000</b>
6	2014	495,000	495,500	110,000	<b>1,100,500</b>
7	2017	405,000	405,000	90,000	<b>900,000</b>
Totals		\$ 2,750,100	\$ 2,255,150	\$ 687,750	\$ 5,693,000

### Share of Capital Investment



## 2.6 Leveraging Capital Dollars

The airport has developed over the last decade while receiving steadily declining payments from tax payers, which is now used for the airport reserve and capital improvements rather than operations. As the table below shows, since 2003 the annual airport levy has declined from \$79,560 to \$50,000 in 2017, a 37% decrease.

### Annual Airport Levy, 2000-2017

Year	Total levy	Seguin	Parry Sound
2000	76,491	61,193	15,298
2002	78,000	62,400	15,600
2003	79,560	63,648	15,912
2004	72,000	57,600	14,400
2007	74,330	59,464	14,866
2008	58,500	46,800	11,700

2009	58,548	46,838	11,710
2010	50,000	40,000	10,000
2017	50,000	40,000	10,000
Total	\$ 517,048	\$ 413,638	\$ 103,410

Note: Showing only the years when there was an amount change

The Airport has over 30 various levels of municipalities and native communities in its attraction radius that benefit from medevac services and the overall economic impact generated by the airport. Of those, only two (2) municipalities in the entire District (Town of Parry Sound and Seguin Township) contribute financially to the Airport funding. For these tax payers, they provide the Airport with a little over one dollar per year per resident.

This is broken down as follows:

- Seguin and Parry Sound (averaged) \$ 1.06 per resident per year
- Parry Sound \$ 1.39 per resident per year
- Seguin \$ 0.89 per resident per year

In comparison, similar size and neighboring airports receive a much larger financial assistance from their contributing municipalities.

#### Municipal Financial Contribution

Benchmark	Airport	Municipal Contribution	Change since 2005	Tax Payers Average Contribution
Municipal Financial Contribution	Parry Sound	\$50 000 \$	-37%	\$1.06
	Owen Sound	\$110 000 \$	0%	\$5.15
	Wiarton	\$710 370 \$	198%	\$67.78
	Earlton	\$157 550 \$	169%	\$4.88
	Muskoka*	\$308 000 \$	723%	\$5.08

\* Funding for the Muskoka Airport does not include Capital Plan, which is provided over and above the listed municipal contribution.

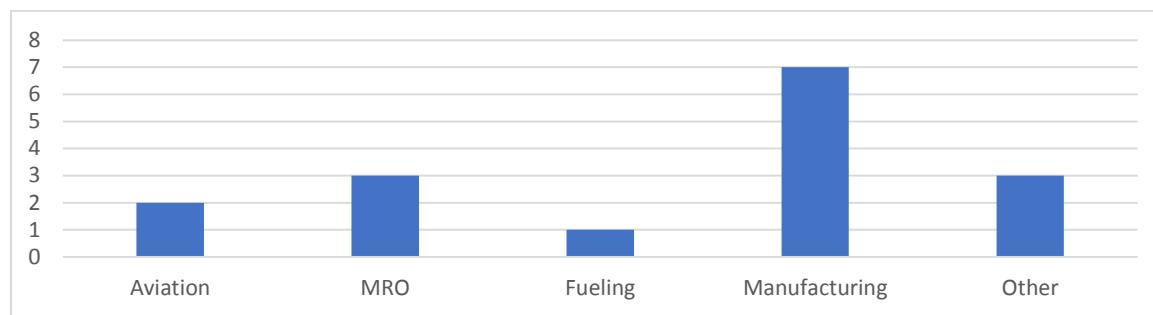
#### 2.7 Airport Economic Activity

The airport has experienced strong and rapid growth since 2000. Examples of this include:

- 27 new private hangars;
- The development of the airport business park and eight (8) new businesses there;
- Increasing airport lease revenue by \$240,000 annually;
- Increasing taxes paid to municipal government by \$42,000 annually; and
- Reducing the levy from municipal government by 37%.

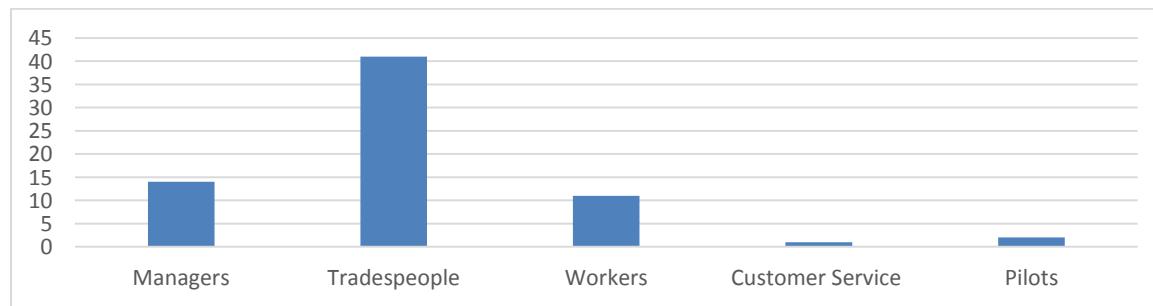
To measure the current economic impacts at the airport, a survey of employers and economic analysis was undertaken. Sixteen (16) employers operate at the site including the airport itself. The figure below shows the primary activity of each of the airport businesses.

### Types of Airport Businesses



Employees at the airport are mainly highly trained, and most are skilled workers and managers. The figure below shows the number of people in different job categories at the airport. The majority of workers are tradespeople, followed by managers, workers, customer service and pilots. The proportion of skilled workers and managers is high and reflects the value-added nature of employment at the airport.

### Number of employees by skill type



#### 2.7.1 Ongoing Economic Impacts

##### Direct Impacts

Direct employment related to airport operations includes up to 69 jobs, 57 full-time and 12 part-time positions. The annual direct airport employment and related income is shown in the table below. Based on the information provided, the average income at the airport is approximately \$66,500 annually, well above the Ontario average of approximately \$52,000.

These jobs generated personal income of approximately \$4.2 million in the community. Airport businesses and privately owned hangars also generate an additional \$55 000 in annual municipal taxes.

#### Annual Direct Employment and Wages

Employment (FTEs)	Income	Taxes (municipal)
63	\$4.2 million	\$ 55 000

Including indirect and induced impacts, airport activities generate up to:

- 104 total FTEs in Ontario; and
- \$6.2 million in total income.

The employment and income for direct, indirect and induced employment is shown in the table below.

#### Direct and Total Employment

	Employment (FTEs)	Income (millions)	Taxes
<b>Direct</b>	63	\$4.2	\$ 55 000
<b>Indirect</b>	25	\$1.6	\$ 17 000
<b>Induced</b>	16	\$0.9	\$ 10 000
<b>TOTAL</b>	104	\$6.7	\$ 82 000

#### 2.7.2 Multiplier Impacts

The economic measures for annual CNK4 GDP and output are measured using multiplier analysis.<sup>1</sup> Direct impacts are approximately:

- \$6.705 million in direct GDP, and
- \$10.7 million in direct Output.

Including multiplier analysis, the total impacts are approximately

- \$9.8 million in total GDP, and
- \$18.2 million in total output.

The GDP and output measured by direct, indirect and induced analysis are shown in the table below.

<sup>1</sup> For the multiplier analysis the Ontario multipliers of the Statistics-Canada input-output (I-O) model is used. This analysis uses the most detailed level of NAICS codes to provide insight into provincial economic activity.

## Direct and Total GDP and Economic Output

	GDP (millions)	Output (millions)
Direct	\$5.5	\$10.7
Indirect	\$2.5	\$4.8
Induced	\$1.9	\$3.2
Total	\$9.8	\$18.7

Total economic impacts of ongoing activity are shown below.

### Summary of Ongoing Impacts

	Employment (Jobs)	Income (millions)	GDP (millions)	Output (millions)
Direct	63	\$4.2	\$5.5	\$10.7
Indirect	25	\$1.6	\$2.5	\$4.8
Induced	16	\$0.9	\$1.9	\$3.2
<b>TOTAL</b>	<b>104</b>	<b>\$6.708</b>	<b>\$9.8</b>	<b>\$18.7</b>

## 2.8 Future Potential Economic Impacts

### 2.8.1 Future Potential Direct Impacts

Based on discussions with the airport operator and businesses on-site, Future Potential Direct employment related to airport operations was also estimated. These are based on a conservative approach and could include up to 15 new jobs over the next five (5) years. This would include three (3) service/tourism jobs, three (3) aviation, and nine (9) industry-related jobs. Potential employment figures and income from this mix are summarized.

#### Potential Annual Direct Employment and Wages after Five Years

Employment (Jobs)	Income
15	\$925,000

Including indirect and induced impacts, airport activities could generate up to:

- 24 total jobs in Ontario; and
- \$1.5 million in total income.

### Potential Direct and Total Employment

	Employment (Jobs)	Income	Taxes (municipal)
Direct	15	\$925,000	\$ 12 000
Indirect	4.4	\$284,000	\$ 4 000
Induced	4.1	\$239,000	\$ 1 000
<b>TOTAL</b>	<b>23.5</b>	<b>\$1,448,000</b>	<b>\$ 17 000</b>

### 2.8.2 Multiplier Impacts

The economic measures for potential annual CNK4 GDP and Output after five (5) years are measured using multiplier analysis and are approximately:

- \$1.2 in direct GDP, and
- \$2.1 million in direct output.

The total impacts are approximately:

- \$2.1 million in total GDP, and
- \$3.8 million in total output.

### Potential Direct and Total GDP and Economic Output after Five Years

	GDP	Output
Direct	\$1,147,338	\$2,132,082
Indirect	\$445,213	\$840,731
Induced	\$497,431	\$838,165
<b>Total</b>	<b>\$2,089,982</b>	<b>\$3,810,978</b>

Total potential impacts of ongoing activity are shown below.

### Summary of Potential Ongoing Impacts after Five Years

	Employment (Jobs)	Income	GDP	Output
Direct	15	\$925,000	\$1,147,338	\$2,132,082
Indirect	4.4	\$284,000	\$445,213	\$840,731
Induced	4.1	\$239,000	\$497,431	\$838,165
<b>TOTAL</b>	<b>23.5</b>	<b>\$1,448,000</b>	<b>\$2,089,982</b>	<b>\$3,810,978</b>

## **2.9 Aviation Economic Impacts**

CNK4 does not presently maintain statistics on the types of flights happening at the airport. It is fair to assume that a decent portion of these flights are from transient aircraft using the Airport for private, commercial, tourism and military purposes. These aircraft are carrying tourists, cottagers, residents, workers and aviation crew who will be staying in the community for a few hours up to a few weeks. Besides the residents, these travelers generate a large economic impact to the region.

A recent study conducted by Muskoka Airport estimate the average dollar amount spent, per visit, by each type of airport user to \$318 per person for transient visitors, \$251 for business travelers and \$182 for recreational visitors. These numbers were established based on information in the Muskoka Tourism and Marketing Agency Strategic Plan.

- a. \$367 for transient visitors;
- b. \$210 for recreational visitors; and
- c. \$269 for business travelers.

Translating these values based on the volume of transient flights to CNK4 amounts to hundreds of thousands of dollars in direct and indirect economic impacts annually.

## **2.10 Summary**

The Parry Sound Area Municipal Airport and Business Park is a regional success story. It supports the region with air services, and has been able to leverage significant federal and provincial capital dollars in the last decade to continue improving. The municipal levy to support the airport is declining while its operations and infrastructure are growing. The airport supports 69 good paying skilled jobs and the number of jobs is projected to increase by approximately 25% in the next (5) five years. The present economic impact of the airport is over \$18 million annually to which we must add the \$10.5 million invested by companies to build their facilities.

### 3. Business Park Plan

The Parry Sound Area Municipal Airport and Business Park (CNK4-ABP) serves industrial and commercial businesses in the region, provides sustainable revenue to the airport, tax revenue for Seguin Township, and acts as an economic driver for the region.

#### 3.1 Business Park Lands

The Airport business park designated lands total approximately 164 acres. Of this amount, approximately 145 acres are considered to be developable and can be organized into customized sizes. However, there is a significant amount of Canadian Shield rock within this area. Preliminary assessment shows that some blasting may be required, but that multiple flat areas are available and would require limited site preparation. Servicing cost will also need to be budgeted. The following map depicts the location of the designated business park at the Airport. Airside lands (in yellow) and Waterdrome lands (in green) are dedicated to aviation purposes and groundside lands (in blue) can host a multitude of industrial, commercial and light manufacturing activities allowed by the zoning bylaws.

#### 3.2 Park Vision

The proposed vision for the Airport Business Park has been developed by evaluating the existing sectoral strengths within the Parry Sound-Seguin Township corridor, taking into consideration existing industries, the labour force, and the regional tourism service sector. Analysis included access to skilled and unskilled workers, infrastructure and strategic assets, transportation networks, other industrial parks in the region and proximity to metropolitan centres.



The top 10 industries in the area include:<sup>2</sup>

- Retail trade;
- Construction;
- Health care and social assistance;
- Accommodation and food services;
- Public administration;
- Other services (except public administration);
- Educational services;
- Manufacturing;
- Arts, entertainment and recreation; and
- Transportation and warehousing.

The following companies are already at the Airport Business Park and on the airport airside: Baycrest Distribution, distributor of synthetic lumber; Altius Architecture, prebuilt prefabricated cottages; Sound Seals Insulation, spray installation contractors; and Eagle Aircraft, Lawrence Aero Enterprises, Fig Air, Milford Bay Smokehaus, Parry Sound Air Service, Parry Sound Aviation, Near North Aviation, Pro Safe, Project X, Rynz Tooling, Flyte Upholstery, and Superior Propane.

New businesses for the Park, which align with the region's industries and the airport's infrastructure and positioning, include light manufacturing, assembly, storage, and installation, geared towards the cottage country lifestyle. More specifically, the analysis suggested targeting the following industry sub-sectors for investment attraction:

- Seasonal equipment manufacturing (Floating docks, Muskoka chairs, etc.);
- Housing and construction;
- Sports, water and outdooring equipment manufacturing and maintenance;
- Heavy equipment manufacturing and rental; and
- Light manufacturing in general.

Beyond these sectors, the Airport Commission has shown leadership and a willingness to be involved in supporting new investment. From supporting construction or conversion of buildings to road development and land remediation, CNK4 has been proactive in attracting and supporting investment.

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<sup>2</sup> Based on NAICS code analysis and our market analysis.

The CNK4 team is also praised by its tenants for the sense of community it generates and brings to the Airport; described as a diverse but unique blend of industry, aviation services and airport activities.

### **3.3 Business Park Site Development Business Case**

#### **Concept Definition**

The Airport has steadily grown and developed new hangars and buildings for private customers. The concept (and base assumption) is to lease land for ten (10) new structures in the business park over the next twenty (20) years. They would support commercial and light industrial activities related to the recommended sectors. The Airport offers a unique and unequaled site generating more and more interest. The Business Park provides CNK4 with a steady source of alternate revenues.

#### **Cost of Land**

The Airport presently generates sizeable revenues from the leasing of the ABP lands. Even though the pricing is a bit higher over a twenty-year period if we compare it to the unserviced lands at the Parry Sound Area Industrial Park it is much lower than purchasing land in the Gravenhurst Industrial Park. Also the approach of leasing land versus selling it seems appealing to many businesses.

In terms of the overall cost, a quick look at neighboring industrial parks showed that lots in the Parry Sound Area Industrial Park can be purchased at \$8,000 per acre for unserved land and up to \$25,000 for serviced lots. In Gravenhurst the price is \$100,000 per acre for serviced lots. The table below shows per acre or square feet cost.

Location	Cost per acre	Cost per square feet
Parry Sound Area Industrial Park	\$8,000 unserved	\$0.186
	\$25,000 serviced	\$0.581
Gravenhurst	\$100,000 serviced	\$2.325
CNK4-ABP	Not applicable	\$0.800 building footprint
	Not applicable	\$0.400 other leased land

#### **Why choose ABP**

CNK4 is experiencing a steady flow of prospects for the Airport Business Park (ABP). Our research looked at why the ABP was so attractive. Among the identified decision-making factors, the location, accessibility from Highway 400 and leasable lands (compared to purchase-only) were the most cited during the consultations.

From the old adage “Location, Location, Location”, the ABP’s main attraction factors are its proximity to the Greater Muskoka’s, the Barrie Area to the south and the Town of Parry Sound to the north. The ABP is an in-between location, which benefits onsite businesses that require easy market access to both southern and northern customers.

The ABP also benefits from its easily accessible location adjacent to Highway 400. This accessibility reduces travel time and there is no road congestion to account for with ample room for trucks to maneuver and navigate the site.

The notion of leasing land instead of purchasing it is perceived as more appealing to a number of prospects. It reduces the capital investment required to launch the operations, thus providing more financial latitude to business owners. To a lesser extent, the ABP is visible from Highway 400 and some of the businesses could leverage the added visibility.

Even though it was hard to quantify the actual impact of the aviation activities, prospects and tenants saw a genuine value of being situated at the airport. They appreciate the leadership and management of the Airport team and the friendly family atmosphere that has been created within the ABP. With its restaurant and meeting room space, the airport terminal also offers amenities that some of the other industrial parks do not have.

### **Development Costs**

As part of the capital analysis completed for this project, the development costs for the next phases of the business park development were analyzed by Tetra Tech Engineering, assuming that the airport would provide new road access and development site preparation for the developer to build a structure. The table below shows the development costs for the land parcel including engineering at 15% and a project contingency of 20%. The major cost is for development of the parcel itself, north of the Superior Propane development. The costs are relatively high because of the site topography. These costs can be shared among the Federal, Provincial governments and CNK4. Following a similar cost sharing model used in the previous development phases, Figure A indicates the share for each partner.

**Estimated Cost of New Development Land Preparation    Figure A – Investment Shares**

Item	Tetra Tech	Partners	Amount
Industrial Road Extension	\$300,000	Federal Government	\$648,900
Development Parcel	\$1,030,000	Provincial Government	\$648,900
Access Road to Northwest of taxiway	\$85,000	CNK 4	\$144,200
Environmental Assessment	\$27,000	TOTAL	\$1,442,000
<b>TOTAL</b>	<b>\$1,442,000</b>		

Note: All estimates are in 2017 dollars - Source: Tetra Tech

CNK4 is presently reviewing its development charges policy with the option of transferring this cost to each tenant. If this policy is enacted upon, CNK4 would still have to upfront the development cost, but would recover its expenses over a non-define time period.

**Revenue**

It is assumed that the first buildings will be built close to the existing business park on already prepared lands and will not require significant capital investment. The Table below shows the revenue assumptions used to calculate the financial impact of development. The last column shows the incremental revenue increase tied to both land leasing of the building footprint and the adjacent lands.

**Assumptions Used for Business Park Case Revenue Analysis**

Items	Development Assumptions		Annual Revenue Increase
Year 1	3000 sq. ft. building	3000 sq.ft. land	\$3,600
Year 3	2500 sq. ft. building	2500 sq. ft. land	\$3,000
Year 5	3000 sq. ft. building	3000 sq. ft. land	\$3,600
Year 7	2500 sq. ft. building	2500 sq. ft. land	\$3,000
Year 9	3000 sq. ft. building	3000 sq. ft. land	\$3,600
Year 11	2500 sq. ft. building	2500 sq. ft. land	\$3,000
Year 13	3000 sq. ft. building	3000 sq. ft. land	\$3,600
Year 15	2500 sq. ft. building	2500 sq. ft. land	\$3,000
Year 17	3000 sq. ft. building	3000 sq. ft. land	\$3,600
Year 19	2500 sq. ft. building	2500 sq. ft. land	\$3,000

Based on the assumptions in the table above, the 20-Year Projections in increased revenue are shown in the table below. Each column shows the annual revenue at the end of the indicated time period. After 20 years, the airport would have increased its annual revenues by almost \$340,000.

## 20-Year Projected Revenues and Expenses for Business Park Case Study

Revenues/Expenses	Year 1	5-Year Total	10-Year Total	20-Year Total
<b>Revenues</b>				
Land Leases	\$3,600	\$30,600	\$91,200	\$339,600

### Summary

CNK4 has shown that a Business Park complimenting an Airport is viable with a 10 year track record of sustainable growth. CNK4 has demonstrated that the Airport benefits from this marriage. It would be hard to argue that the Parry Sound Airport is not part of the Essential Service Structure for the Region. The Airport was part of lobbying efforts for a new and modern hospital, and several big-box stores. As the Airport grows so will the Business Park. Investment from the private sector will continue and can be leverage to pursue the Airport expansion and further create employment.

## 4. Asset Management Plan

The Parry Sound Area Municipal Airport and Business Park has successfully grown and managed its infrastructure since inception. Airport Asset Management is complex for most general aviation airports because few generate enough revenue to replace their capital requirements without financial assistance, usually from senior government. Airports can often cover their operating costs, but capital is more difficult as a simple runway overlay alone is generally about a \$2.5 million one-time investment.

### 4.1 Existing Infrastructure

The airport's financial statements recognize \$4.5 million in book value capital assets. The values are shown in the table below. It shows the amortized value of the assets, not the replacement value.

#### Airport Capital Assets, 2016

Asset	Book Value
Land	\$43,002
Runway and parking	\$2,308,819
Buildings	\$1,467,520
Septic, wells, and water	\$666,480
Furniture and fixtures	\$8,075
Equipment	\$206,278
<b>TOTAL</b>	<b>\$4,700,174</b>

Source: KPMG, 2016 Final Financial Statements

## 4.2 Major Planned Maintenance and Improvements

As part of this project, Tetra Tech engineering conducted a site review of CNK4 and made recommendations on required short-term and medium-term improvements.<sup>3</sup> These recommended improvements are shown in the table below. The improvements are identified for airside, buildings, and groundside improvements and grouped into projects required in 0-5 years and more than five (5) years. This table includes all identified maintenance costs over the next 10 years. The runway is not part of this equation and is discussed in the next section.

Based on the Tetra Tech analysis, the minimum capital required over the next five (5) years is estimated at \$412,000. Seventy-five percent of this amount is dedicated to taxiway and apron rehabilitation. The balance of the amount will go for building maintenance and upgrades. The mid-term plan (years 5-10) requires an additional \$340,000 with a similar spread of aviation infrastructure and building upgrades.

### Short-Term Capital Requirements

Asset	Short-Term (0-5 Years)	Medium-Term 
<b>Airside</b>		
Connecting taxiway rehabilitation	\$123,000	
Apron rehabilitation	\$182,000	
New PAPI		\$50,000
Hangar taxiway		\$169,000
<b>Buildings</b>		
Air Terminal Building		
Window replacement	\$13,000	\$20,000
New propane furnace/boiler	\$27,000	
Metal roof		\$54,000
Maintenance Garage		
Radiant heater and insulation	\$67,000	
Metal roof		\$47,000
<b>Groundside</b>		
Access Road Rehabilitation		\$81,000
Terminal parking rehabilitation		\$42,000
<b>TOTAL</b>	<b>\$412,000</b>	<b>\$340,000</b>

Source: Tetra Tech

<sup>3</sup> Tetra Tech, "Parry Sound Infrastructure Assessment," November 17, 2017.

### **4.3 Additional Capital Requirements**

The Tetra Tech analysis focused on major capital projects within the next 10 years. Additionally, an airport has numerous ongoing small capital item requirements such as vehicles, computers and equipment that can get lost in the major capital requirements of an airport.

Analysis of the airport assets shows that approximately \$300,000 of these assets are in mobile equipment and items that can reasonably be expected to wear out within 10 years. While with good management capital items can be kept operating or used for longer periods, it is recommended that the airport plans an annual minor capital fund for ongoing needs and repairs. The total asset requirements are approximately \$300,000, and theoretically most would require replacement within a 10-year period, but prudent use will extend the use of items. It is recommended that an annual small capital fund of \$20,000 annually be set up to keep airport equipment up-to-date and in good repair.

### **4.4 Capital Asset Plan**

Typically, an airport plans to create an annualized capital plan to meet future requirements because capital requirements are often larger than operating requirements. In this case, the engineering assessment recommends \$752,000 in capital maintenance spending over the next 10 years. The annualized capital requirement is therefore \$75,200. It is recommended that the airport set aside an annualized fund of \$75,200 over the next 10 years to meet these requirements.

**Note:** the detailed Asset Management Plan can be found in Appendix E.

## **5. Looking Ahead**

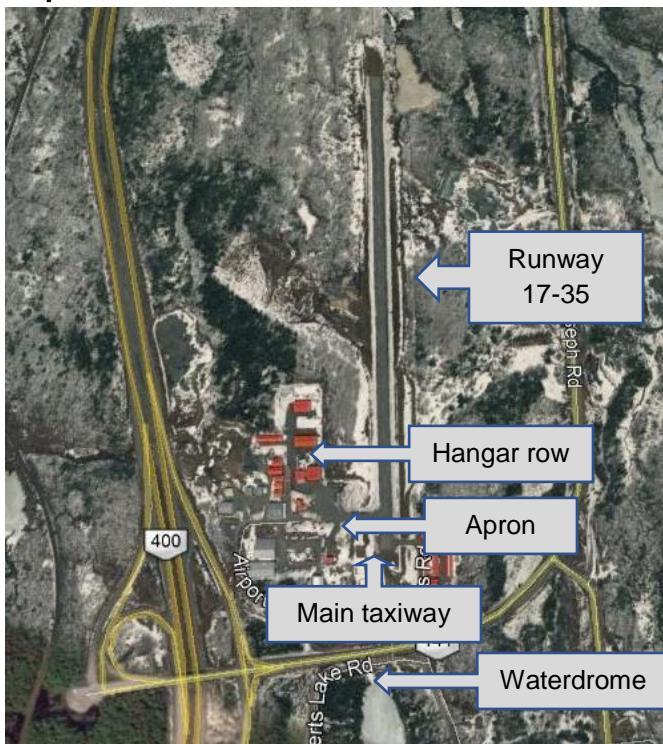
The Parry Sound Area Municipal Airport and Business Park has seen strong and sustained growth over the last fifteen years. To pursue this growth the Airport must look at another round of improvements and the associated financing. Two (2) main areas should be targeted. First and foremost, the Airport is faced with a runway that has almost reached the end of its life and is land lock for future aviation expansion.

CNK4 needs to respond to increasing regional aviation demand, is losing traffic to other regional airports, is unable to host potential scheduled passenger services and lacks the development space to extend general aviation activities. The most logical path to address these situations is to extend the runway and by the same occasion widen it to reduce various safety concerns raised by pilots and users. The extended runway would allow hosting aircraft that today choose to land at neighboring airports that offer better facilities and a more secured environment.

From the proposed options developed by Tatham Engineering, Option 8 is showing an expanded, widen and reoriented runway (reducing crosswind issues from Georgian Bay on landing and take-off) is our recommended option. Option 8 addresses runway issues, but also provides growth and development opportunities for aviation activities by opening land and access to the general aviation area. Opening such parcels of land will allow the airport to expand its ramp (very congested), provide room for additional parking space (presently at capacity), provide room for safe and efficient fueling operations (presently done on the ramp) and add dedicated space for run-ups and testing activities. The new lands will also allow for new hangars to be developed thus hosting more aircraft and supporting aviation services groups already located at the airport.

Secondly, the Airport Business Park is almost at capacity. To pursue its growth CNK4 will need to extend the business park road beyond the Superior Propane site and built/bring the services (wells, septic system, electricity and Internet) to the site. These investments will support job creation, investment and long-term employment and sustainability to the region. The image below presents the layout of the Airport today.

#### Airport Aerial Photo



Source: Google Earth, November 11, 2017

## 5.1 Airport Activity

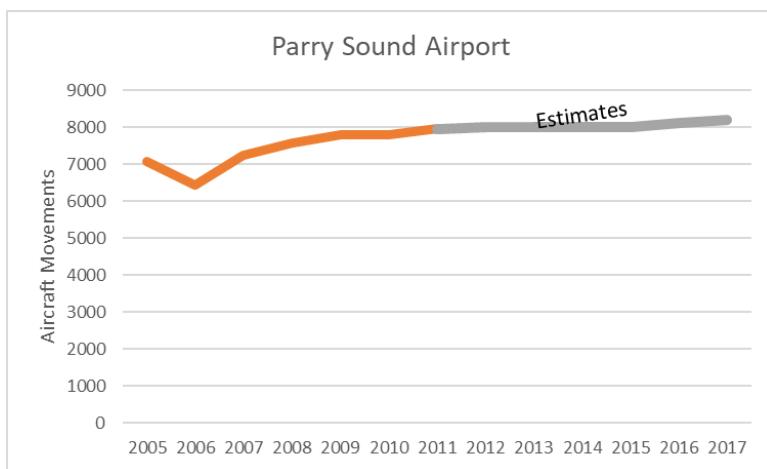
The Airport serves airport businesses, pilots, visitors, the community and government organizations such as the Ontario Ministry of Natural Resources, the RCMP, OPP, Ornge medevac flights and a series of aerial work clients. During the summer, the Parry Sound Airport sees over 60% of its 8,000+ annual aircraft movements from corporate flights, tourists, recreational flyers, and charter operators. But Airport aircraft movements have leveled off in recent years. Travellers to the region have told the airport that they are using other regional airports, but would prefer to use Parry Sound if it had a longer runway. The current runway is too short and narrow for many standard corporate and passenger service aircraft used in Ontario.

As previously mentioned, the Parry Sound region is experiencing sustained growth with the influx of the Greater Toronto capital and people. After the economic boom witnessed in the Muskoka's over the last 10-15 years, Seguin Township and Parry Sound are among the next preferred destination.

## 5.2 Historic and Forecast Activity

Historic itinerant flights from CNK4 are displayed in Figure 1, from 2005 to the present. These numbers are based on airport statistics/estimates. The growth was resulting primarily from visitors to the region during the summer months. (Neither Statistics Canada nor NAVCANADA keeps traffic numbers for CNK4.) The airport has never collected rotary wing movement statistics, or local traffic movements (which are primarily flight training.).

**Figure 2 - CNK4 Historic Aircraft Movements (2005-2016)**



Source: Parry Sound Area Municipal Airport

## 5.3 Activity Scenarios

This section develops 10-year activity scenarios for CNK4 based on historic flight activity, interviews, and potential site developments.

### 5.3.1 Assumptions

In developing these scenarios, Explorer Solutions has used the following base assumptions to guide analysis of future events.

- The Canadian and Ontario economies will remain stable and will not experience a major recession.
- The airport will obtain the capital and operating funding it requires to operate effectively and to meet aircraft operation requirements.
- Tourism and business interest in the Parry Sound area itself will grow.
- The airport will support economic development goals of the region, creating positive economic and social impacts.
- The airport will receive the infrastructure and support funding it requires supporting safe operations and growth.

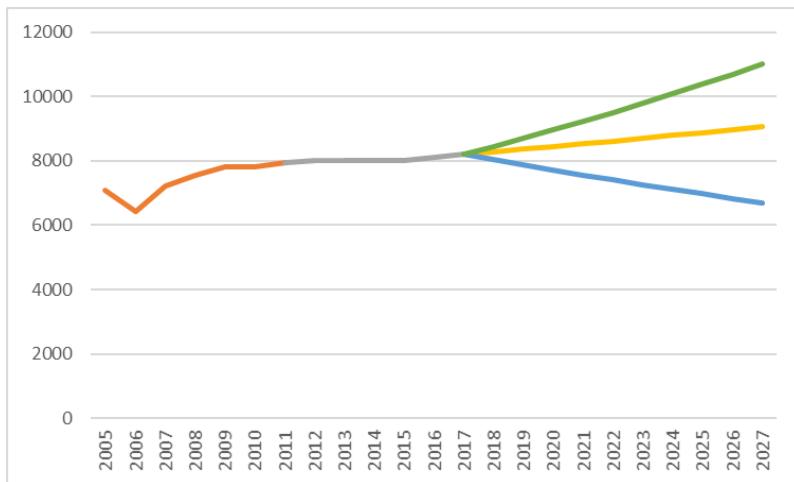
### 5.3.2 Scenario Projections

Three (3) scenario projections have been created starting from 2017 and projecting forward 10 years. These projections are for:

- A base case (in yellow), using historic growth trends and a resurfaced runway resulting in maintaining present aviation activity;
- A high-growth case (in green), assuming runway extension and realignment thus providing for aircraft activity growth at a high rate resulting from a safe and more secure runway, from a longer runway allowing for larger aircraft to land and overall increased aviation activities; and
- A low-growth case (in blue) with a declining state of the runway resulting from aircraft owners concerns and reducing flights to the site.

The historic traffic and the scenario projections are shown in Figure 2 below.

**Figure 3 - CNK4 Flight Scenario Projections (2017-2026)**



The high-growth case assumes primarily growth in corporate and private GA traffic to the region resulting from new businesses and tourism growth. This traffic growth would support the development of new and expanded infrastructure at the airport, including demand for newer and improved hangars and aviation services.

#### **5.4 Knowledge and Perception of the Airport**

During interviews, we found that most aviation-related organizations know the airport by name, and that approximatively 30% of the respondents have been there at least once. Furthermore, some surveyed companies already did business with the airport. This was the case for Transglobal Aviation, Sunrise Helicopters and Essential Helicopter. Those who know the airport only had positive comments to share. They mentioned that the staff is kind and competent, and that the overall condition of the airport is good with the exception of the runway. The length and width of the runway are presently seen as a deterrent to fly larger aircraft and/or more often to CNK4. Many have testified of the strong crosswind that often impact the Airport and have an impact on their decision to land at CNK4.

#### **5.5 Current Runway Situation**

The 2017 Tatham Engineering report says that Runway 17-35's pavement surface has exceeded its useful life cycle and crack sealing will not extend the pavement's life.<sup>4</sup> The runway shows significant map cracking.

<sup>4</sup> C.C. Tatham & Associates Ltd.

Although the surfaces appear to be stable, one should expect the cracks will expand and result in foreign object debris (FOD). This would become a hazard to the operation of aircraft. The apron and taxiways also have map cracking that should be remediated. Runway 17-35 is equipped with medium intensity edge and threshold lighting, but the edge lights are not evenly spaced and do not meet Transport Canada standards. Tatham & Associates and Tetra Tech recommend replacing the lights.

The Tatham engineering report developed eight (8) runway remediation and extension options. Remediating the runway involves resurfacing the existing runway without widening or lengthening it. In this scenario, new edge and threshold lighting would be incorporated into the resurfacing. The cost of remediating the runway would be approximately \$2.8 million and the airport may have to pay all costs as higher governments do not usually fund maintenance and remediation cost.

## **5.6 Preferred Option: Extend and Reorient Runway**

As mentioned before, the preferred option is the extension and reorientation of the airport's runway. The runway would be reoriented 3.6 degrees west, pivoting on the southwest corner of the existing runway. The runway width would also be expanded from 75 feet to 100 feet, and lengthened to 5,000 feet. New edge and threshold lighting would be incorporated in the rebuild, as well as resurfacing the connecting taxiway and main apron. This work would enable the airport to develop more aircraft movement areas thus supporting a safer and more secured aircraft movement area, additional aircraft parking's and tied downs (presently at capacity), reduce movement issues close to the fueling site and provide secure space for aircraft maintenance run-ups and testing.

CNK4 is presently constrained in terms of ramp and hangar space. This factor is augmented by the rugged Canadian Shield terrain the Airport has to work with. The proposed runway expansion and reorientation would create openings in the terrain and excess aggregate to allow for the construction and expansion of hangar rows at a more manageable price. This expansion would also allow for the development of a second ramp and an expanded general aviation hangar row.

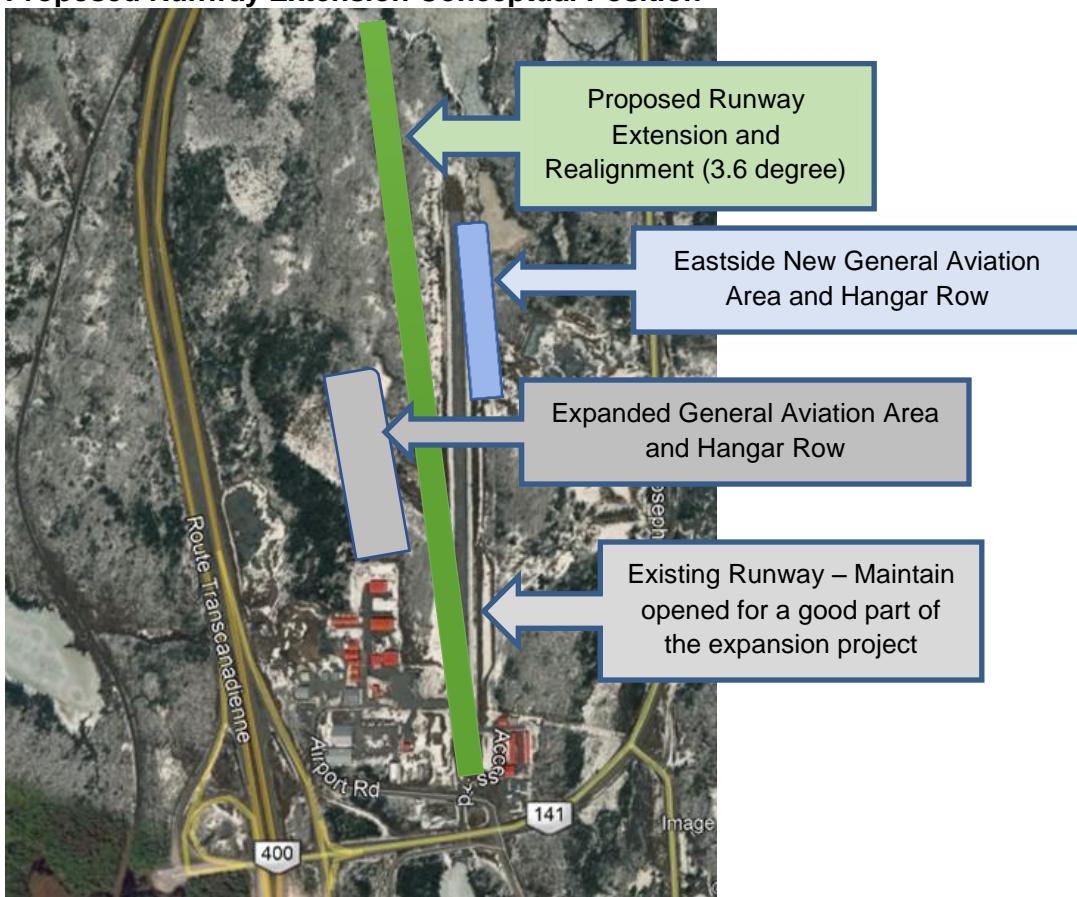
Reorienting the runway also makes for a better alignment with predominant winds thus reducing safety concerns and wind challenges faced by aircraft and pilots landing and taking off. On any day, the Airport can be impacted by strong crosswind coming from Georgian Bay. Runway expansion also supports hosting aircraft today heading to other airports thus creating the need for more hangers to be built and possibly growing the aircraft maintenance services creating airside employment.

The Critical Aircraft for the extension is a Beechcraft 1900D. The aircraft can land on less than 5,000 feet, but Standard Operating Procedures (SOP) for commercial air carriers is typically longer than the minimum technical requirements.

The new runway would also enable the airport to develop the eastside of runway 17-35 into a new general and commercial aviation area using the present runway as a taxiway. Presently, this parcel of land which has a limited width does not allow for such a development.

The approximate proposed alignment of the extended and widened runway is shown in the figure below. The Tatham report considered the Obstacle Limitation Systems (OLS) (the air space required for approaches and departures and missed approaches around a runway) and environmental considerations in its analysis, and this extension could be completed without obstacle issues.

#### Proposed Runway Extension Conceptual Position



Source: Google Earth, November 11, 2017

Rebuilding and extending the runway is a more expensive venture with an estimated cost of \$9.1 million. But with senior government support, the local capital portion would be very similar to the cost and funding required to only rehabilitating runway 17-35; in the range of \$3 million dollars. The budget for the proposed work is shown in the table below. The total budget is \$9.4 million including the taxiway and apron rehabilitation.

### Estimated Cost of Runway Remediation

Item	Total
Runway Construction	\$9,120,000
Connecting Taxiway Rehabilitation	\$123,000
Apron Rehabilitation	\$182,000
<b>TOTAL</b>	<b>\$9,434,000</b>

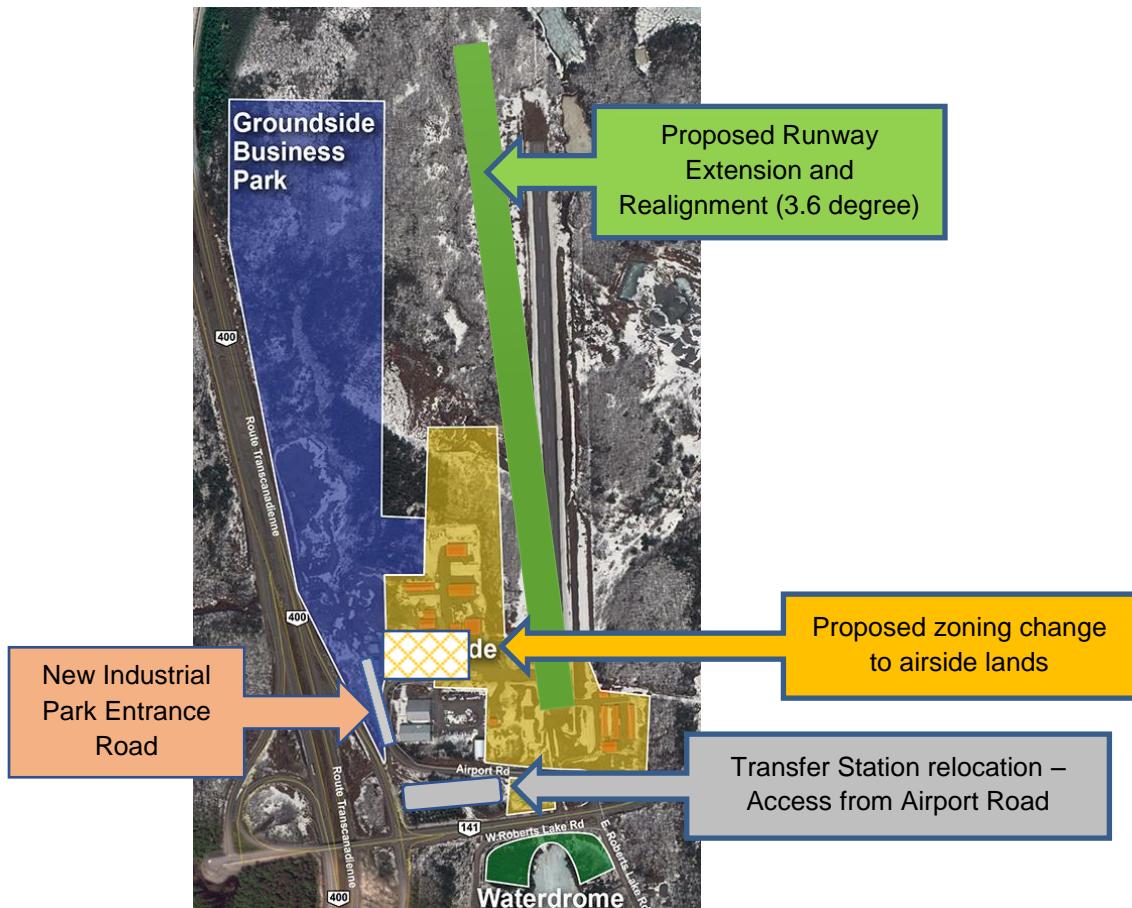
Note: All estimates are in 2017 dollars.

### Planning Concept

Conceptualization of the long-term airside and groundside zoning following runway extension is shown in the next figure. Groundside development is in blue, and airside in yellow. In this long-term concept, it is proposed that an area on the southwest side of the airport (in proximity to the terminal) be rezoned from groundside to airside for long-term planning. This means that nothing changes on these properties, but when they change ownership these areas would be repurposed for airside rather than groundside purposes. On the figure, the area proposed for shifting zoning is showing as a white and gold block.

It is proposed that the area including Buildings 1, 3, 4, 5 and 95 ultimately be zoned airside. Additionally, a potential new road into the groundside area beginning at the transfer station and running parallel to the TransCanada is shown in red. This road would connect the northern areas of the business park with the road system and allow separate airside and groundside ground traffic. As such we suggest moving the transfer station lower on Airport Road closer to the entrance off of Hwy 141.

## Land Designation



## 5.7 Financial Discussion

As hinted before, for both the remediation and runway extension scenarios, the Airport would have to pay a similar amount of money as the extension could be funded through joint funding with the provincial and federal governments. There are very little chances the senior governments would help the Airport Commission fund a remediation.

## 5.8 Summary

The airport has been growing and thriving at a sizeable rate over the last fifteen year. It has turned around its finances, is almost at capacity in terms of hangars, its ramp is overflowing with aircraft and demand is there to expand the facilities. To meet these growth perspectives, the airport is faced with a small runway (length and width) that has exceeded its useful life time and is land constrained in its general aviation area, apron and movement areas.

The airport is part of a growing community with a continuous influx of Greater Toronto and international new residents. CNK4 is a main economic and manufacturing hub of the region. To meet aviation and local businesses demand, the Airport needs an extended runway allowing for safer operations, supporting the development of more secure aircraft movement areas, expanded hangar development area and hosting large corporate, government and passenger aircraft. Therefore, The Airport Commission recommends the construction and extension of a new runway and the support of its partner municipalities as well as in obtaining provincial and federal government funding.

## Appendix A - Consultation Summary

### Consultation Sessions

On September 21-22, 2017, Explorer Solutions organized two (2) focus groups and conducted a series of interviews with local business leaders, airport tenants, government agencies and other regional stakeholders. The aim of the consultation exercise was to grasp the basic economic strengths and assets within the Parry Sound Area Municipal Airport, as well as gaining a regional perspective on the economic trends, key manufacturing leaders, demographics and future opportunities. Information shared was utilized to determine potential development opportunities for the Parry Sound Area Municipal Airport and Business Park and also served in assessing the feasibility of identified projects. Table 1 lists the organizations that participated in the consultation process. In all, a total of 15 organizations were interviewed during these two days, and 18 people attended the two (2) focus groups.

**Table 1 - List of Organizations and Stakeholders at Interviews and Focus Groups**

Organization Name	Type of consultation
YMCA Employment Resource Centre	Focus Group
Community Future	Focus Group
Pro Safe	Focus Group
Airport Tenant	Focus Group
Canadore College (Parry Sound Campus)	Focus Group
Canadore College (North Bay Campus)	Focus Group
West Parry Sound Economic Development	Focus Group, One-on-One Interview
Sifft Electric	Focus Group
Parry Sound Aviation	Focus Group
Rynz Innovative Tooling Inc.	Focus Group
Explorers Edge	Focus Group
Superior Propane	Focus Group
Sound Seals Insulation	Focus Group
Parry Sound Area Municipal Airport	One-on-One Interview

Township of Seguin	Focus Group, One-on-One Interview
Ministry of Natural Resources (Parry Sound District)	One-on-One Interview
Parry Sound Area Community Business and Development Centre	Focus Group, One-on-One Interview
Parry Sound Area Chamber of Commerce	One-on-One Interview
Parry Sound Area Industrial Park	One-on-One Interview
Eagle Aircraft	One-on-One Interview
Georgian Bay Airways	One-on-One Interview
Tulloch Engineering	One-on-One Interview
West Parry Sound Health Centre	Focus Group
Hall Construction	Focus Group
Big Sound Marina	Focus Group
Town of Parry Sound	Focus Group
Parry Sound Muskoka Community Network	One-on-One Interview
Fig Air	One-on-One Interview
Connor Industries	One-on-One Interview
Parry Sound Snowmobile District/OFSC District 10	One-on-One Interview
Rosseau Road Powersports And Marine	One-on-One Interview

To facilitate a review of the information shared by participants, results are presented in two (2) distinct categories. To begin, we will review some of the highlights from the focus groups. The first focus group was designed to engage the business community and stakeholders situated in the Greater Parry Sound area, while the second focus group was held to engage airport tenants and ABP stakeholders. The nature of the focus group discussions revolved around infrastructure conditions, operations and quality of the service provided, general perception, tourism, economic trends and missed/future opportunities. On the other hand, one-on-one interviews were held with a mix of entrepreneurs, governments, airport tenants and small to large businesses where similar topics were addressed with a focus on the company's activities.

### **Focus Groups**

During the focus groups, attendees were asked to provide a brief overview of their company/organization as well as their opinion on what efforts should be undertaken to help drive more investment and activity at the airport.

Overall, the two (2) focus groups generated interesting ideas about what could be improved or done differently to increase revenues, growth and provide a more sustainable economic environment. Proposed ideas and other relevant information have been summarized below.

### **Focus Groups**

The two (2) focus groups attracted twenty-one (21) people, and these sessions were supplemented with follow-up phone interviews. Attendees represented general aviation tenants, small businesses, economic development agencies, aircraft owners, post-secondary academic institutions, tourism, pilots and aviation enthusiasts. Different topics were addressed, but discussions revolved around the condition of the airport infrastructure and what opportunities exist to increase and diversify airport revenues. Session highlights are summarized below:

#### Comments related to airport infrastructure condition, activity and services:

- Participants mentioned that the airport terminal was in fair-to-good condition, yet the runway was in poor condition. Many respondents viewed the current conditions of the infrastructure as a deterrent for pilots and companies considering establishing at CNK4. Runway rehabilitation is urgently needed and the possible expansion would provide added safety and opportunities to host larger aircraft and more aviation activities.
- There were concerns about the perception of having the Townships garbage and recycling facilities located at the entrance of the airport when prospective investors and commercial traffic arrive on-site.
- It was mentioned in multiple occasions that the lack of adequate weather readings has been an issue with the varying weather patterns that exist in close proximity to the airport and are drastically influenced by the local terrain. Pilots are often "scared away" due to the unsuspecting and often strong cross winds that are experienced beyond the tree line when taking off/landing.
- The abundance of Canadian Shield below the surface of the ground is a major detriment to expropriation and future commercial development at the airport. Similarly, land remediation and the development cost in the Business Park are higher than in many places.
- Accessibility to Northern Ontario Funding programs adds value to locating at CNK4.
- The lack of natural gas as a utility may deter some companies from expanding into or within airport grounds. Also need to verify well and septic system capacity.

- The lack of dedicated broadband (high-speed) Internet is an issue. This would allow tenants to set up VOIP and leverage other services that require high-speed connectivity to support their day-to-day business activities.
- The fuel station is in good condition, but there are some issues related to congestion and parking of aircraft (close enough) in the self-serve model that currently exists. The process for payment should be re-evaluated as there seems to be duplicate steps taken between Duty Manager and Customer Service Manager in terms of data collection, entry and processing.
- On-site car parking has become an issue, both at the airport terminal itself and around/nearby commercial hangars for those who are employed within. With the lack of available space for tie-downs, many smaller aircraft are tied down in what could be designated as vehicle parking areas.
- Improved markings are required to assist pilots with proper navigation on the ramp, taxiway and to/from any designated hangars. A newly painted Compass Rose is also required and should be situated in a more strategic location.
- A proper run up area is required as it will avoid issues related to engine blast no matter which direction one is facing.
- The airport currently has no hangar/building vacancies, therefore the airport either has to invest in constructing new hangars, which they can lease out or entice private investors to construct their own.
- Noted by the GA community, there have been multiple issues related to the communication frequency either when in the air or in training. The 120 frequency is a very busy frequency and picks up communication taking place outside of the area (such as with the Parry Sound Float Planes) and/or possibly into the US. When self-announcing, it can often be difficult when wanting to communicate.
- It has been noted that many tourists who have cottages in/around Parry Sound are forced to fly into surrounding airports such as Muskoka Airport to access their cottages.

Suggested aviation-related development ideas and opportunities:

- It was suggested that the airport is missing services tied to painting, propeller repair and avionics, but recognized it may be difficult to attract if it only experiencing a limited number of planes per year.
- It was suggested to consider daily seasonal service to/from the GTA.
- It was suggested to explore the notion of having a group of businesses that have some low to moderate dependency or future need for short-run aviation services to consider a group or shared option to buy an aircraft and have it stored at the airport.
- It was suggested to investigate partnership opportunities with Canadore College to better understand what is missing from their Aviation Campus in North Bay that could be offered from the Parry Sound Area Municipal Airport and Business Park– perhaps in the areas of avionics or aviation technician.

Suggested non-aviation-related development ideas and opportunities:

- It was suggested to consider exploring non-aviation options to partner with or engage Canadore College (West Parry Sound Campus) by providing services and/or amenities at the airport that could accommodate the growth of either their aviation technical program or other programs experiencing rapid growth.
- Offer a shuttle service, owned and operated by the airport and local businesses to bring employees and people to and from Parry Sound daily.
- It was suggested to explore and evaluate current options available for long-haul truckers that pass by Parry Sound – perhaps a rest/fuel stop, dining, etc.
- It was suggested to consider conference facilities and the need for additional hotel rooms. A hotel at the airport could be of interest to the snowmobile community as an official trail runs alongside the airport property.
- It was suggested to install agricultural/commercial greenhouses at the airport. With the lack of suitable farmland, could aquaponics, greenhouses or vertical farming help to promote local farming in the area?
- To build upon Milford Bay SmokeHaus that is being established at the airport, what other speciality foods and/or related processing can be done on-site? The smoked trout fish

facility is also looking to offer on-site retail - perhaps other speciality foods could be sold at the airport leading to the creation of a speciality foods industry.

- Bring back the Georgian Bay information/tourism centre that no longer exists and operates it out of the airport. Tourists still attempt to locate this facility as some signage is still in place and available online.

### **Stakeholder Interviews**

The consultation process also comprises one-on-one interviews with a number of public, business, tourism and academic leaders. Overall, thirty (30) plus meetings were either held in person or by phone. The interviews allowed for gaining a more in-depth knowledge of the ongoing projects and priorities of the organizations contributing to the regional economy.

The meetings also served in collecting valuable information that helped our team to test some hypothesis and assess the potential of some of the proposed development ideas raised during the focus groups.

Below is a summary of the main discussions and opportunities that came out of the interviews. The objective was to validate and challenge the various information, opportunities and issues previously identified.

#### Interviews with Parry Sound, Seguin and Community Leaders

- It was suggested to consider a full-service restaurant that offers a dinner option in addition to breakfast and lunch that is currently offered by Wings. It was also suggested to have a higher caliber of food made available.
- One stop shop for all your cottage needs (Muskoka chairs to docs to kitchens).
- Develop an industrial park commission to manage and promote all the Industrial Parks in the region. Promote heavy industry in the north park and light industry in the south park.
- The daily flight to Toronto is in demand from jurisdictions located 1-2 hours outside of Toronto. Perhaps something similar could be offered from the airport. There are people who want to be down in Toronto at 8-9am and back at 4-5pm. The airport previously tried working with Cloud Air in the development of a regular scheduled service, which failed in becoming a sustainable air transportation option. Some people charter flights and get dropped off at their dock where all their stuff is.

The results of the analysis have led to the identification of a number of qualified development concepts for the Parry Sound Area Municipal Airport.

## Appendix B - Airport Review

### Infrastructure

The infrastructure consists of one (1) runway, and two (2) roads, as well as paved taxiways connecting with private hangars on the airport. An aerial view of the airport is provided in Figure 3. Runway 17-35 is 75 feet (23 m) wide and 4,000 feet (1219 m) long with an asphalt surface. According to the Tatham & Associates report of 2017, the runway has exceeded its lifespan and shows significant map cracking.<sup>5</sup> It is Tatham understanding that the cracking has reached a point where crack sealing is no longer cost-effective and the asphalt should be replaced or rehabilitated. Ditches are present along both sides of the runway extending north to existing watercourses and ponds along the sides and at the end of the runway. A large pond is located approximately 275m north of the runway. On the south end of the runway, the main apron and taxiways to the west and a taxiway to the east hangar area provide access and egress from the runway.

Road access to the airport is by Airport Road off of Provincial Highway No. 141 on the south side of the airport. Airport Road crosses the path of Runway 17/35 approximately 130m south of the threshold for Runway 35. In addition, Access Road provides road access to the hangars and businesses on the east side of the runway. It crosses the approach path approximately 100m south of the threshold for Runway 35.

The neighbouring property east of the runway is treed. The west side of the runway consists of treed rock ridges extending above the elevation of the runway.

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<sup>5</sup> C.C. Tatham & Associates Ltd., "Runway 17/35 Rehabilitation, Parry Sound Area Municipal Airport, Option Review Report - Revision 2, June 2017."

**Figure 4 - Aerial view of the Airport**



Source: Google Earth, November 11, 2017.

### **Fuel System and Procedures**

The fuel system is maintained in-house. Staffs are given training on how to operate the fueling units by the manager and sign a training document, which identifies what each member was trained on and the date the training took place. The fuel is checked for quality on a regular basis.

### **Operations**

The Airport is a registered facility and as such, is required to adhere to the Canadian Aviation Regulations (CARS) part 301. The airport has chosen to adopt some requirements from CARS 302 in an effort to exceed the minimum standards. As such, CNK4 has been proactive in preparing an Airport Operations Manual (AOM) and a Safety Management System to be used by all of the staff on-site. This manual is not a requirement of Transport Canada for a registered facility, but provides for a safer, more secure and better operated airport. We recommend the Airport leader to move down this path.

Staff at the airport consists of a total of seven (7) employees including the staff who run the café on-site. The non-café staff are trained through verbal instructions by the manager as well as on the job exposure on how to do their specific roles, including fueling.

Snow Removal is a major operation at the Parry Sound Airport. During snow incidents, snow removal may require a total of 20-24 hours a day of resources to complete the work. The airport manager makes up a significant portion of the snow removal resources, which means he is taken from other management duties during the winter months. There is no formal training process to test training measures and confirm retention of training for staff.

### **Specific Items**

Through the consultation process, airport staff, tenants and others identified a number of items at the airport requiring consideration. These are discussed below:

- **UNICOM.** Pilots have noted that the UNICOM radio frequency used for CNK4 are used by other sites in Canada and the U.S. and can lead to confusion during flight-related radio exchanges. There are only 11 UNICOM frequencies used in Canada and eight (8) in the U.S., and some of these are identical. These frequencies are defined by the respective federal governments. Industry Canada is going through a modernization of the process by which it assigns spectrums, which started in early 2016. All enquires are all completed online via a series of forms. The airport can enter this process, but it appears that getting results may be complex and time consuming.
- **Weather Reporting.** CNK4 does not have an AWOS (Automated Weather Observation System). These devices measure and report weather conditions, and pilot can remotely connect with them to receive real time weather information. Pilots say that it would be useful for planning flights as they often do not know which weather conditions to expect at CNK4 when preparing flight plans. NAVCAN will provide AWOS for many airports if they have scheduled flights or meet a critical threshold of annual flights, but CNK4 does not meet these requirements.

An option available to the airport is to purchase a used AWOS to support flight planning to the airport. A supplier of airport electronic equipment said that a used AWOS with temperature, wind, pressure and visibility indicators would be approximately \$48,000 plus installation.<sup>6</sup> The system is based on embedded MS Windows 7 and can be put on the Internet. The AWOS supports telephone, radio and display for pilots. The airport should consider preparing a business case for the siting of an AWOS at CNK4.

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<sup>6</sup> Spencer Navigation Maintenance Ltd., Calgary, Alberta.

- **Apron Parking and Aircraft Tie Downs.** Airport users noted that there is a lack of apron parking and aircraft tie downs at the airport. Given the structure of the site, this can be addressed only with the development of new paving, such as the repaving of the main runway.
- **Ground Equipment.** During consultation, it was noted that the airport does not have ground equipment and this may be required to develop commercial flights. It should be noted that at regional airports ground equipment is typically provided by the air operator and not by the airport.
- **Staffing.** Those consulted noted that the APM appears to have numerous duties, which makes it difficult to focus on primary management functions. For example, during periods of snow the APM is focused on runway clearance. Those consulted suggested that consideration should be given to changes in staffing. The most direct way to address this would be to add seasonal contract workers to free up management time and focus.
- **GPS.** Those consulted noted that road directions to the airport on GPS systems can be confusing and misdirected. Google accepts suggestions on modifying business directions and approaching them could help lead to clarification on this.
- **Ground Transport.** The only ground access to and from the airport is via private automobile. No bus service or other commuter ground transport is available. If a ground service to Parry Sound and nearby communities was developed, it would support the development of employment at the airport. This is because people with lower-paying jobs will typically not have a car and therefore will not consider employment at a location like the airport in a rural setting. Developing ground transport would therefore assist employment growth. Having said that, it must be noted that many regional airports do not have ground transport, but it is useful to development if they do.

## Appendix C - Opportunities Analysis

This section analyzes CNK4's aviation opportunities. The section discusses opportunities identified by trend analysis and via the consultation process for this project.

### Relevant Aviation Trends

Airport development has two (2) perspectives, industry specific and regional. The first perspective refers to the fact that a specific industry like aviation has its own economic trends unique to the industry. The second focuses on the fact that every industrial sector is part of the larger regional economy. If the region does well, most businesses including aviation business do well.

Since the recession, aviation in general is experiencing a steady increase. International passenger records are being broken almost every year. IATA (the International Air Transport Association) reported recently that global passenger traffic grew of 7% between 2015 and 2016, and that it would almost double by 2036.<sup>7</sup> Canadian air carriers, including Air Canada and WestJet are experiencing this growth, but mainly on international routes. This trend does not necessarily translate to regional airport growth, but with road congestion becoming an everyday hassle, some smaller airports have started to see regional air carriers servicing their destination from major centers. Such examples on Ontario are Toronto Billy Bishop to Niagara District and Lake Simcoe Airports.

While aviation and aerospace activity is growing at regional sites, it must be viewed in the context of regional communities and their response. Aviation opportunities are related to population, per capita income, and business and tourism demand. In short, areas with more population, higher income, and greater business and tourism activity generate more aviation. For aerospace, attractiveness to employees is increasingly important because there is an emerging shortage of employees in many high-tech areas such as aerospace. Creating an environment that is attractive to potential employees is critical. Elements of this would include working family housing, attractive social services such as schools and hospitals, and access to services such as sports fields.

The opportunities for regional communities with aviation and aerospace are enormous, but the opportunities are often site specific. This section discusses some of the opportunities related to CNK4.

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<sup>7</sup> IATA, Press Releases, 9 and 24 October, 2017.

## Aviation Opportunities

### C-1 Scheduled Charter Air Service

#### C.1.1 Concept Definition

With road traffic congestion that often extends over rush hour, coupled with ongoing construction work and maintenance, travelling from the Parry Sound area to the Greater Toronto Area (GTA) and vice-versa is becoming more challenging. These trends will support developing scheduled or charter passenger service between the GTA (Billy Bishop Airport or Pearson) and CNK4 to serve travel demand.

The concept is a seasonal summer flight schedule (May to September potentially) that could be expanded beyond those dates if the demand and load factors justify it. Maintaining a scheduled passenger flight schedule would make the airport eligible to Transport Canada's ACAP program (Airport Capital Assistance Program). ACAP provides federal funds to help eligible airports fund capital projects that maintain and improve safety. To be an ACAP eligible airport it must serve a minimum of 1,000 passengers per year for three (3) consecutive years and be a certified airport.

#### C.1.2 Client Segments and Profiles

We envision five (5) different types of clients could be targeted as air passengers. These markets are:

- Cottagers;
- Friends and Family visiting the cottagers;
- Tourist coming up for different activities;
- Business related travel; and
- Resident traffic.

To support this information, we would recommend that CNK4 carries out an air service study. Understanding the origins and destinations, potential passenger volumes, ticket price range, flight timing and required support services will be essential to recruit and market to an air carrier.

### C-2 Paint Shop

#### C.2.1 Concept Definition

The proposed concept is to launch an investment attraction campaign to attract a paint shop operator or work with one of the local MRO to extend their range of services. The objective is to expand the total range of services offered to pilots and owners. By creating more activity at the airport, we anticipate a raise in the sales of fuel, possibly additional based aircraft and a minimum of one new hangar to house the paint shop.

### **C.2.2 Market Demand**

A number of elements were considered in the research for determining the potential market. Elements including the pool of GA aircraft registered in Ontario (8,575) as well as aircraft transiting and presently being maintained at the airport. 52 fixed wing aircraft, two (2) helicopters and an average of 20 seasonal aircraft represent the on-site market. The airport also hosts three (3) maintenance operators, which could be closely tied to the promotion of the opportunity. During the one-on-one meetings, they all showed interest for such a project, but none of them seems to be willing to move forward on its own. CNK4 needs to be cognizant that there are other paint shops in the Greater central Ontario region. They could be seen as competitors, but also as prospective tenants if there looking to expand their business and access a different group of pilots and aircraft owners.

## **C-3 Flight Training and Sightseeing**

### **C.3.1 Concept Definition**

A Flight Training School concept is centered on the development and growth of flight training activities at the airport. A growth of such activities will have rippling effects on airport revenues (fuel sales, land lease, building lease) and generate additional requirements for supporting activities (MRO, restaurant, etc.).

We believe that the airport could benefit from being the home base of a more comprehensive training program that could be developed in partnership with a Pilot Training School. This concept would also be both a consistent add-on to the GA and Commercial Aviation Park, and a valuable add-on to CNK4 and the region. The airport would draw significant revenue from the construction of a new flight training building to host a classroom, office, simulator and hangar.

### **C.3.2 Positioning – Markets and Clientele**

A flight school at CNK4 would boost the airport's reputation. To help convince a potential Pilot Training School to locate at the airport, the CNK4 partners could participate in the project by arranging transportation for the students, finding proper accommodations and providing community integration activities. A presentation to potential partners should highlight the quality and reputation of the Airport, emphasize on its growing regional and international clientele, and present the complementary development concepts that are currently being studied.

Parry Sound and the region have international recognition as a beautiful site, particularly the shores of Georgian Bay. It is a region with significant tourism attraction, and air sightseeing tours are already operated from other sites in the region. The concept is seasonal sightseeing flights (May to September potentially) that would be offered on an on-demand basis to tourists visiting the region by an airport based aviation company.

## **C-4 Aviation Tourism Packages**

The Parry Sound Area Municipal Airport and Business Park has the potential to become a destination stop for the GA pilot community. Pilots are looking for a reason to fly and things to do and experience over a weekend. CNK4 and the surrounding communities are able to offer great outdooring and tourism experiences. We recommend developing Tourism Fly-In packages promoting the region tourism attractions to the recreational pilots and business aircraft owners segments. Packages should be tailored to meet the needs of tourists increasingly looking for turnkey solutions, convenience and simplified booking process. The Airport should look to partner with key regional Tourism Organization (mainly Explorer's Edge) that has the knowledge, a network of contacts and that can help coordinate marketing budgets and outreach.

Developing and promoting the packages to the GA audience will generate additional traffic at the airport, leading to increased fuel sales and economic activity in the region. This increase activity could support plans to develop additional private hangars and should be marketed to those new visitors.

### **C.4.1 Targeted Markets and Clientele**

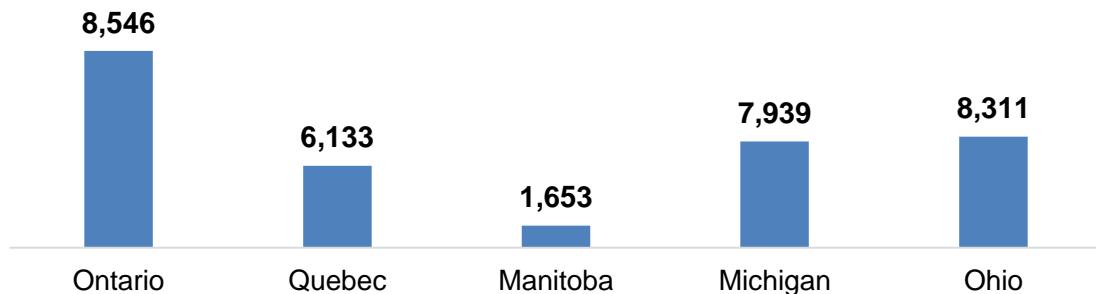
The target demographics for the proposed packages will be mainly composed of pilots seeking hassle-free and turnkey solutions for a daily, week-end getaways or longer stay. Packages will cater to different clientele profiles.

A large share of the clientele will be Ontarians (main market), with occasional visits from pilots from other states and provinces. Marketing efforts should be focusing on the Ontario market first. In a few years, depending on the success of the tourism packages, adding promotional efforts in Quebec and the U.S. Great Lakes States like Michigan and Ohio could be considered.

### **C.4.2 General Aviation (GA) Market Size**

The GA market in Ontario is one of the biggest in North America with 8,546 privately registered private aircraft in 2016. Representing approximatively 30% of the Canadian GA fleet, Ontario is the Canadian province with the largest fleet. The Province of Quebec arrives in second position.

**Figure 5 - Number of private registered aircraft per Province and State**



#### **C.4.3 Tourism Packages**

The proposed packages revolve around seasonal activities and can be tied to local/regional services providers when required.

#### **SPRING PACKAGE - Fly'n Off-Road**

The region offers great outdooring activities including multiple off-road packages focusing on ATV and ORV tours. The Airport has the opportunity to partner with two (2) local outfitters/tour operators (Bear Claw ATV Tours and Back Country Tours) offering these types of activities. The tours operators have shown interest to be involved with the package and already offer airport transfer services. Joint marketing could also be an opportunity.

#### **SUMMER – Fly'n Fun**

The Parry Sound area has all it takes to offer unforgettable summer trips. Here again, the idea is to partner with local/regional private companies to offer packages meeting the tourism trends and taste of what the region has to offer. The summer package is branded Fly'n Fun, but offers three (3) very different activities. Technically, they could also be marketed has separate packages.

#### **Fly'n Fun Option #1 – Golf**



Five (5) golf courses are located within a 30-minute drive from the airport. Some of these courses are highly recognized and offer a great golfing experience. The golf package could offer one (1) or two (2) rounds of golf daily or a three (3) to five (5) day package as offered in Myrtle Beach or Florida. Discussions with the golf courses should lead to developing daily, multi day and

weekly golfing packages, including accommodations, meals and entertainment or others activities. Beyond aircraft parking fees, again the airport should look at securing one or a few meals at the restaurant and possibly offer a 30 000 island flight discovery tour to help with fuel purchases. Here are the five (5) golf courses we suggest be part of this package:

- Parry Sound Golf and Country Club (31 km);
- Seguin Valley Golf Club (15km);
- Deer Run Golf Course (30km);
- Rocky Crest Golf Resort (6km); and
- The Rock Golf Course (39km).

### **Fly'n Fun Option #2 - Water Adventures**



Georgian Bay is one of Canada's grandiose tourism attractions. With its 30 000 islands and multiple activities, the Bay and all water-related activities and adventures are a main summer attraction point. The objective here is for the airport to work again with local water related services providers to develop one day or weekend packages. We propose to divide the water adventures package in five (5) sub packages as a way to get people to come back a few times for different activities. For each of the sub package, we provide links to the respective suppliers/partners.

### **Fly'n Fun Option #3 – Cycling**



The third summer option focuses on cycling. The region has quite a larger number of bike paths for all types of cyclist. But most importantly, the main path running from the Gravenhurst region to Parry Sound runs right by the airport on Hwy 141.

## Winter: Fly'n Snowmobile

Very similar to the Spring package, the Fly'n Snowmobile package provides a great opportunity to partner with local outfitters such as Back Country Tours and Rosseau Road Powersports and



Marine. These two (2) companies have shown interest to be involved with the package and already can offer airport transfer services. Joint marketing could also be an opportunity. Note that these two (2) providers downplayed the possibility of having snowmobile located at the airport even though trails run right by CNK4.

The winter package may also offer some short-term hangar rental opportunities for CNK4. Other elements that could be added in the package include:

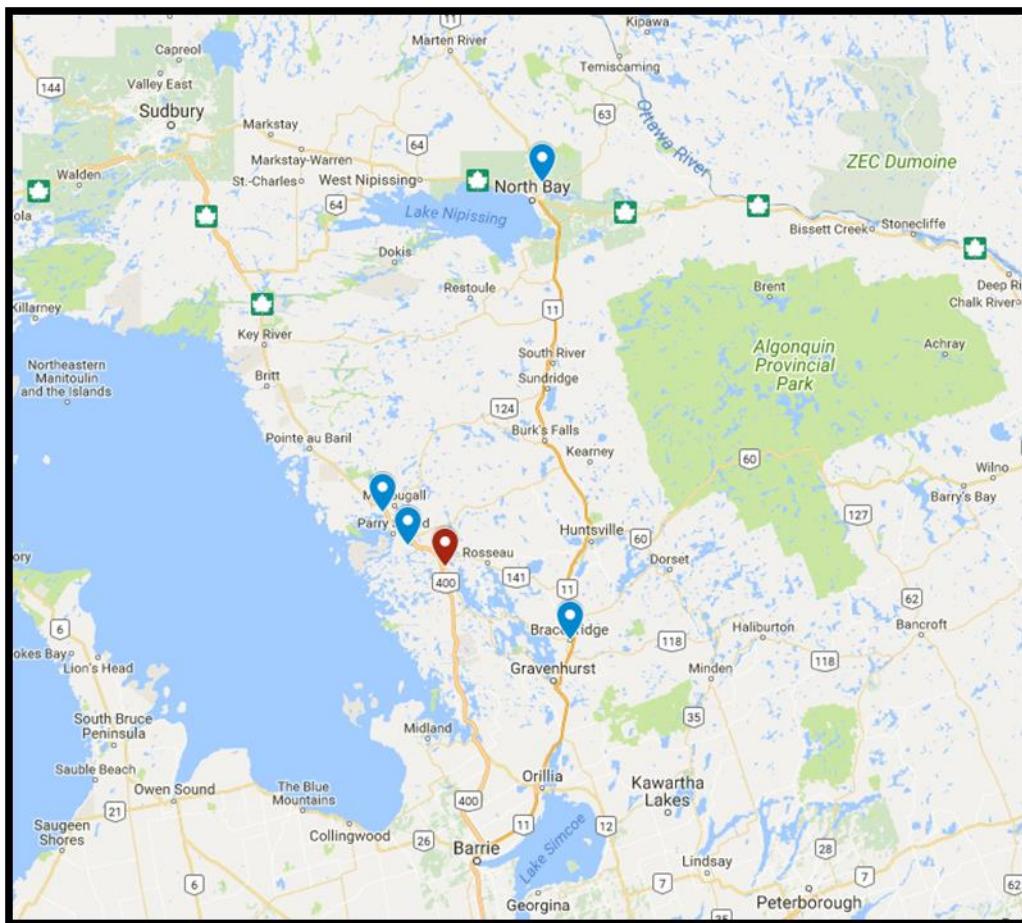
- A guide with trails maps and area key information;
- Complete head-to-toe clothing rental services;
- A discounted rate at partner restaurants; and
- A discounted rate at partner local attractions: Naubinway snowmobile museum, dog sled tour or ice fishing.

This link ([Trail Maps](#)) provides a good overview of the various snowmobile trails in the region.

## Appendix D - Industrial and Business Park Benchmarking

To assist the Parry Sound Area Municipal Airport and Business Park in understanding its competitive advantages and areas of improvement, we have benchmarked the CNK4-ABP against other nearby industrial or business parks to gain insights that the CNK4-ABP can offer prospective investors and those already situated within the airport business park considering expansion.

The following map depicts the proximity of the CNK4-ABP against other competitive industrial and business parks.



### D.1.1 Parry Sound Area Municipal Airport and Business Park

The designated lands assigned within the CNK4-ABP (which does not account for the lands assigned as Air Side) total approximately 164 acres. Of this total amount, approximately 145 acres are considered to be developable and can be organized into customized sized lots based on the needs of individual prospective investor on a first come, first-served basis. That said, the majority of the land sits on a significant amount of Canada Shield which is covered by 12-14" of sedimentary soil. If any blasting and removal of aggregate is required to further prepare future lands within the CNK4-ABP, this can become costly and be seen as a possible detriment to securing investment (assuming this cost is passed on to the investor). Additionally, the lack of dedicated natural gas (offset by propane), municipal water and sewer (offset by well water and septic) and high speed Internet (offset by a directional 100Mbps Wi-Fi signal coming from Humphrey) can lead to prospective investors considering other fully serviced locations.

The following map depicts the location of the designated business park within the Parry Sound Area Municipal Airport.

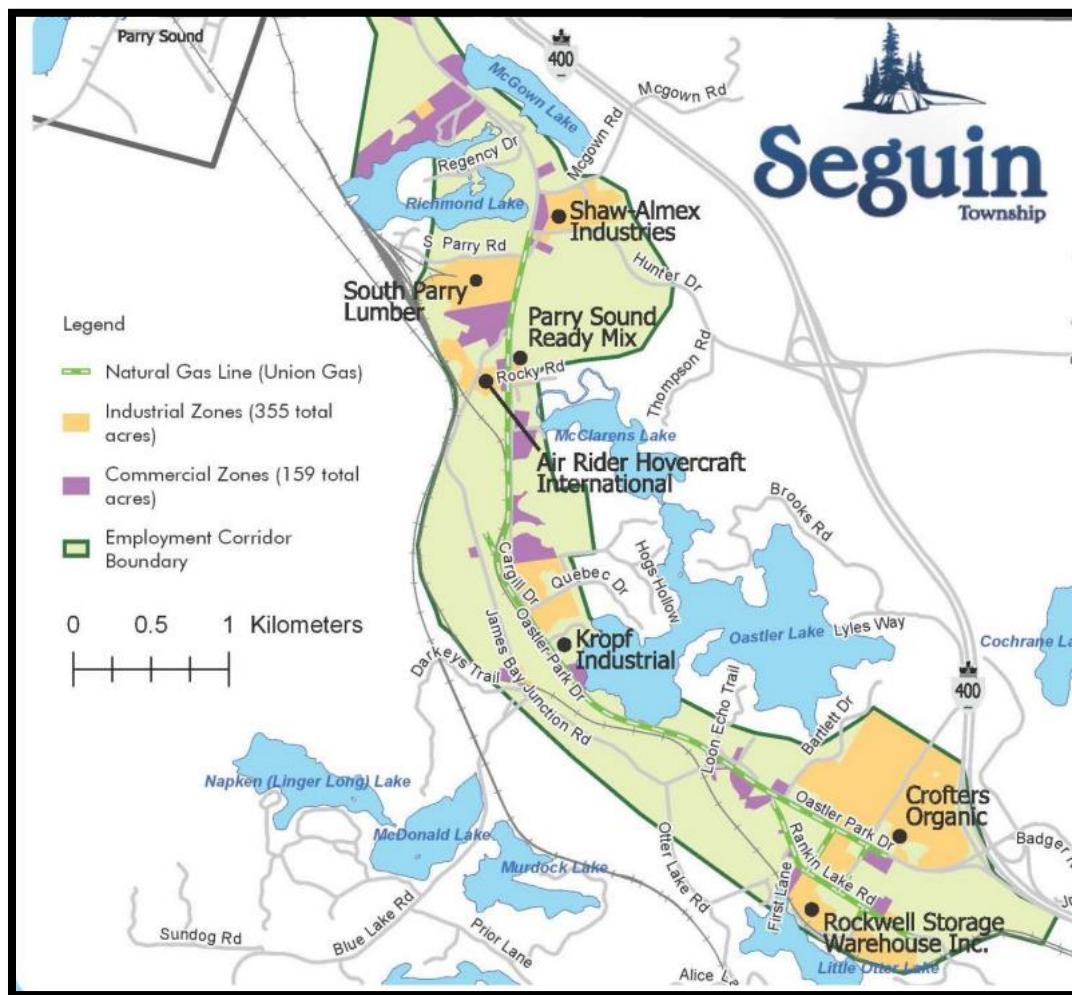


### D.1.2 Oastler Park Drive Employment Corridor

Located 16 kms north of the CNK4-ABP, the Oastler Park Drive Employment Corridor is just south of the Parry Sound Town line in the Township of Seguin, which is comprised of a number of distinct areas including a commercial and industrial belt that are concentrated along Oastler Park Drive.

The Oastler Park Drive Employment Corridor is a primary business node for employment and the expansion of existing businesses. The Official Plan and Zoning By-law allow for a wide range of commercial and industrial development activities. The extension of natural gas, three-phase power, and high speed fibre optics are progressing. This corridor is identified as an essential service/infrastructure for further economic job growth and a significant opportunity to continue to grow and develop new and existing industries.

The following map depicts the layout of the Oastler Park Drive Employment Corridor in Seguin Township, Ontario.



### D.1.3 Parry Sound Area Industrial Park

Located 50 kms north of the CNK4-ABP, the 1000-acre industrial park is located in Carling. Within the industrial park, 500-acres are considered developable, which offers a mix of both serviced and non-serviced sites at a cost of \$25,000 and \$8,000 per acre respectively. These lands are zoned for heavy and light industrial activity to office developments. Of the 50 original sites, approximately 21 remain before the industrial park reaches capacity.

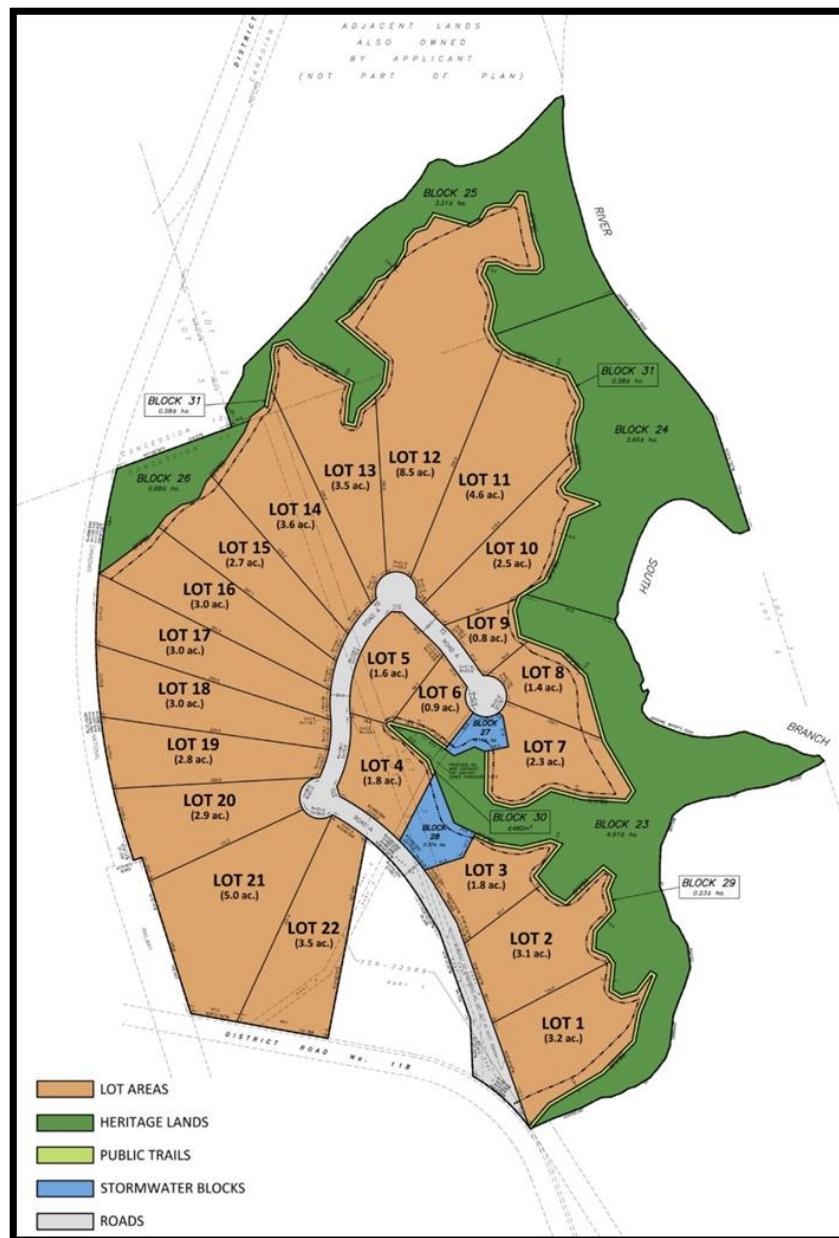
The following map depicts the layout of the business park within the Parry Sound Area Industrial Park in Carling, Ontario.



#### D.1.4 Canyon Court Business Park

Located 61 kms south-east from the CNK4-ABP, the 64-acre business park is located in Bracebridge. Within the business park, approximately all 64-acres are considered developable lands, which offer fully serviced sites at a cost of approximately \$100,000 per acre. The Town owns the land and has partnered with Fowler Construction to handle the sales and development of these land parcels. These lands are zoned for light industrial activity to office developments. Of the 22 original sites, approximately 15 remain before the business park reaches capacity. There are no local development charges, but the District Municipality of Muskoka charges \$1.54 per square foot for development.

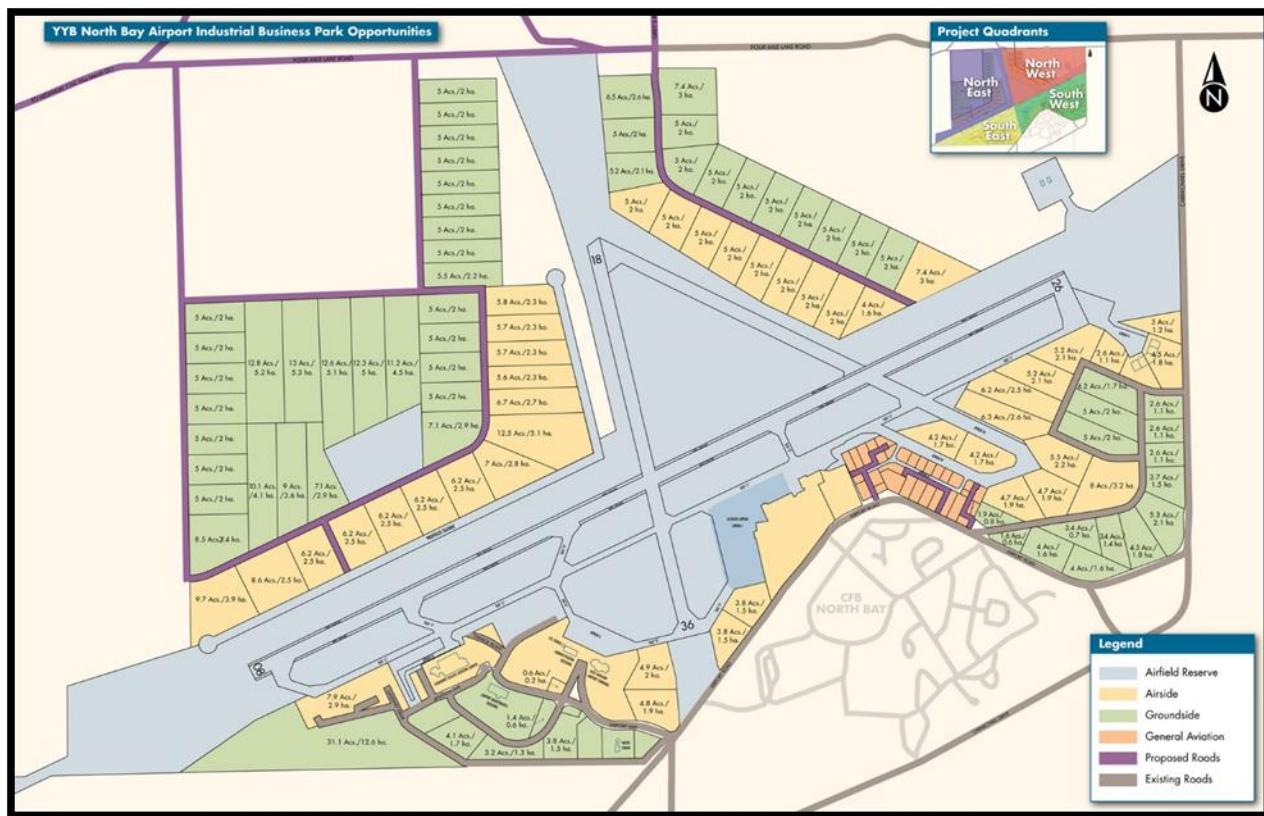
The following map depicts the layout of the business park within the Canyon Court Business Park in Bracebridge, Ontario.



### D.1.5 North Bay Jack Garland Airport Industrial Business Park

Located 176 kms north-east from the CNK4-ABP, the 373-acre business park, designated for groundside activity (compared to their 255 acres for airside activity) is located at the North Bay Jack Garland Airport in North Bay. The Airport Industrial Business Park is divided into quadrants. The south-west and south-east quadrants are fully-serviced with municipal water and sewer services, natural gas, three-phase power and full fiber-optic telecommunications. An offsite storm water management facility eliminates the need for costly self-contained facilities, and the topography and soils are favorable for development.

The following map depicts the layout of the business park within the North Bay Jack Garland Airport Industrial Business Park in North Bay, Ontario.



**Table 2 - The three surrounding Industrial and Business Parks are compared below against the Parry Sound Area Municipal Airport and Business Park**

Business / Industrial Park	Distance from CNK4 (kms)	Location	Total Size of Park (acres)	Total Amount of Developable Space (acres)	Total Number of Sites	Remaining Number of Sites Available	Development Charges	Zoning	Tax Rate	Land Cost
Parry Sound Area Municipal Airport Business Park	-	Township of Seguin	164	145	Customized	Customized	N/A	Manufacturing to Office Developments	0.01939723% (Industrial) 0.01032868% (Commercial)	\$0.80/sf/an (Lease)
Oastler Park Drive Employment Corridor	16	Township of Seguin	1 880	335 (Industrial) 159 (Commercial)				Heavy & Light Manufacturing to Office Developments	0.01939723% (Industrial) 0.01032868% (Commercial)	Privately Held
Parry Sound Area Industrial Park	50	Township of Carling	1000	500	50	21	N/A	Heavy & Light Manufacturing to Office Developments	0.01943078%	\$8,000/acre (unserviced) \$25,000/acre (serviced) (Purchase)
Canyon Court Business Park	61	Bracebridge	64	Approx. 64 acres. There is a natural buffer that lines the park close to the river.	22	15-16	No Town DC's. District of Muskoka, \$1.54/sf.	Light Manufacturing to Office Developments	0.01945772% (Industrial) 0.01835683% (Commercial)	Approx. \$100K/acre (Purchase)
North Bay Jack Garland Airport (Airport Industrial Business Park)	176	North Bay	373	225 (Airside) 373 (Groundside)				Manufacturing to Office Developments	1.818115% (Industrial) 2.444327% (Commercial)	

**Table 3 - The Three surrounding Industrial and Business Parks compare the availability of utilities against the Parry Sound Area Municipal Airport and Business Park**

Business / Industrial Park	Utilities									
	3-Phase Power	Propane	Natural Gas	Municipal Water	Well Water	Sewage	Septic	Storm Water	Broadband Internet	
Parry Sound Area Municipal Airport Business Park	x	x			x		x			WiFi
Oastler Park Drive Employment Corridor	x		x		x		x			x
Parry Sound Area Industrial Park	x			x			x			Standard Service
Canyon Court Business Park	x		x	x		x		x		Fibre
North Bay Jack Garland Airport (Airport Industrial Business Park)	x		x	x		x				Fibre

### **D.1.6 Marketing and Branding**

The Parry Sound Area Municipal Airport and Business Park along with its municipal partners, the Township of Seguin and the Town of Parry Sound will be responsible for varying support associated with the development and implementation of a proper marketing and branding strategy to help identify sufficient external investment interest from companies and investors wishing to establish themselves within the southern part of northern Ontario.

The following activities have been identified whereby a further detailed execution strategy must be developed and implemented.

#### **Proper Naming of the Business Park**

Currently, the airport identifies itself as a business park. If the outcome of the future vision is tied to light manufacturing and primarily industrial-related activities, the airport should consider incorporating “industrial park” into its future name.

#### **Develop an Investment Attraction Strategy**

The notion of an investment attraction strategy is to help the airport and the Township in strategically targeting companies that will complement the vision of the business park, rather than going after everybody and anybody. In undertaking a proper investment attraction strategy, collateral must be prepared, familiarization tours must be organized and relationships must be cultivated with commercial real estate firms, professional site selectors, Ontario’s Investment Office (OIO) among other key influencers. It is equally as important that the representatives on behalf of the airport and the Township are well versed to articulate the value propositions, key competitive advantages and be able to communicate how the problems or constraints experienced by the prospective investor can be solved by establishing a local site within the airport’s industrial park.

#### **Site Selection**

A proper strategy to engage the site selection community will also be key to the future success of the airport’s industrial park. The Province of Ontario also has a Certified Site designation that it has created to assist land owners (of privately and publicly owned lands) expedite the sale of their property. The program has developed a baseline standard by which all Certified Sites must adhere to in order to receive the designation. Once approved, land owners can benefit from the province’s global reach and capital and human resources that they attribute to attract investment into the province. As these documents are publicly available, they are also utilized by Ontario-based companies that are considering strategic locations to support their growth.

### **Familiarization Tours**

In addition to organized familiarization tours for external investors and site selectors, familiarization tours can also be organized for local influencers and those representing the airports industrial park when presenting to prospective investors. It is vital that those individuals representing the airports industrial park are knowledgeable enough to articulate all of the competitive assets and reasons for establishing a local present at the airports industrial park. It is equally as important to development familiarization tours for groups of investors or one-on-one private tours. These kinds of familiarization tours often require showcasing more than just the airport's industrial park, but require a coordinated effort with both Seguin Township and the Parry Sound's Community Business and Development Centre (and other strategic partners ) to ensure accurate information is best portrayed tied to the availability and calibre of the local skilled and unskilled workforce, cost and standards of living in the area, local amenities (should the investor choose to attract and relocate talent from outside the area), and so forth.

### **Marketing Packages**

The airport will have to develop both hard and soft copy material, consider which and how best to utilize social media as a way of keeping the world informed of opportunities and activities happening within the airport industrial park and the airport itself. Marketing packages should also be available for download off the airport website along with the websites of Seguin Township, the Town of Parry Sound and the Parry Sound Area Chamber of Commerce including the websites of other strategic partners.

## **Appendix – E – Asset Management Plan**

2018 CAPITAL ASSETS											
Item	Description	Year Purchased	Historical Cost	Estimated replacement Cost	1-5 years	5-10 years	10+ years	Estimated Life Cycle (years)	Comments on Life Cycle	Annual Maintenance 1.5%	
Runway	3000' and 1000' added on	1979	1 132 780,41	3 000 000,00	3 000 000,00			25	Based on relatively light traffic. Assumes regular maintenance (e.g. crackfilling).		
Taxiway & Apron		1979/95/06	155 076,01	200 000,00	200 000,00			25	Based on relatively light traffic. Assumes regular maintenance (e.g. crackfilling).		
Fuel Pad	Concrete	1995	18 341,66	20 000,00		20 000,00		30+			
Parking Lot		1995	15 442,71	18 000,00		18 000,00		15	Assume Asphalt. Assumes regular maintenance (e.g. crackfilling).		
Docks	2 floating - 6' X 20' & 6' X 16' PT including hardware. New added 2017 \$2200.00 6x20	2008	5 422,11	8 000,00			8 000,00	10+			
Land		1978	0,00	43 000,00							
Buildings	Building life cycles are based on regular maintenance. It is important to consider building systems (e.g. HVAC , roofs (asphalt shingles 25 years), siding (wood 30 years if painted every 7), windows (30 to 50 years), furnaces (18 years) etc.) each have different life cycles.										
Hangar Airport		1984	42 400,00	150 000,00			150 000,00	50+			
Maintenance Building 3		2006	120 525,00	250 000,00			250 000,00	50+	Building life cycles are based on regular maintenance	\$2 300	
Murphy Rd											
Terminal	Updated 2012 (\$50,000.00) see wings café	1980	60 250,00	450 000,00			450 000,00	50+	Building life cycles are based on regular maintenance	\$6 800	
Terminal Expansion		2006	170 800,00					50+	Building life cycles are based on regular maintenance	\$2 500	
Fuel Shed		1979	5 000,00	5 000,00			5 000,00	50+	Building life cycles are based on regular maintenance	\$100	
Oil Shed		2009	5 000,00	6 000,00			6 000,00	50+	Building life cycles are based on regular maintenance	\$100	
Bathroom East Side		2006	10 000,00	12 000,00			12 000,00	5	Assuming component upgrades	\$200	
5 a&b Hangar rd (6000 sqft)		2014	567 866,00	570 000,00				50+	Building life cycles are based on regular maintenance	\$8 550	
Eagle Hangar (10,000 sqft)		2013	740 000,00	800 000,00				50+	Building life cycles are based on regular maintenance	\$11 000	
MBTF- New		2018	550 000,00	550 000,00				50+	Building life cycles are based on regular maintenance	\$8 200	

Systems											System components (e.g. pumps) have a much shorter useful life (e.g. 10 years).	
Well - West		1993	12 477,00	14 000,00			14 000,00	30+	Assumes regular annual maintenance			
Septic - West		2006	49 250,00	52 000,00			52 000,00	30+	Assumes regular annual maintenance			
Water Filtration - West		2006	50 750,00	55 000,00		55 000,00		30+	Assumes regular annual maintenance			
Hydro - West		2008	10 076,40					30+	Assumes regular annual maintenance			
Water Filtration - East		2006	3 500,00	4 500,00				30+	Assumes regular annual maintenance			
Well - East		2006	11 000,00	14 000,00			5 000,00	30+	Assumes regular annual maintenance			
Septic - East		2006	12 000,00	15 000,00			15 000,00	30+	Assumes regular annual maintenance			
Hydro - Main	CB & DC Loan (10 year)	2000	50 248,00	62 000,00				30+	Assumes regular annual maintenance			
Fire suppression tanks and hydrants		2013	450 000,00	485 000,00				30+	Assumes regular annual maintenance			
Fire Supression Well		2013	14 000,00	14 000,00			5 000,00	30+	Assumes regular annual maintenance			
Well-MBTF		2017	15 000,00	15 000,00			5 000,00	30+	Assumes regular annual maintenance			
Office Contents												
Computer, back up, wifi		2018	5 000,00	5 000,00		5 000,00		5	Assumes technology changes			
Furniture		2007	6 343,64	7 000,00			5 000,00	10	Assumes normal wear and tear			
Filing Cabinets (2)	Fire Proof	2008	900,00	1 000,00				20+				

Equipment											
Pick up truck	Ford F-150 4 x 4 (1999)	2008	7 745,28	15 000,00	15 000,00			8			\$1 000
Mogas Tank & pump		2003	2 000,00	2 500,00		1 000,00	1 500,00	50+ tank, 10 years for system pumps etc.	Aboveground tanks can last a long time with regular painting and maintenance. System components may required more regular replacements.		
Diesel Tank & pump		2003	2 000,00	2 500,00		1 000,00	1 500,00	50+ tank, 10 years for system pumps etc.	Aboveground tanks can last a long time with regular painting and maintenance. System components may required more regular replacements.		
Wind Sock (North)	36" Diameter X	2018	3 600,00	3 600,00			1 000,00	10+	Largely depends on colours fading		
Wind Sock (South)	36" Diameter X, single loop, lighted	1981	3 600,00	3 600,00			1 000,00	10+			
Taxi & Runway Lighting		1981	36 228,00	40 000,00	40 000,00			25	Ongoing system maintenance required		
Weather Station (Davis)		2007	180,00		180,00			10			
Snow Blower (Briggs & Stratton)		2008	1 103,92	1 500,00			1 500,00	5			\$100
Trueline Striper-Trusco Mfg	350BP - 10 gallon paint tank	2004	?	2 098,00			2 100,00	20+			
Fuel ladder 10'		1995	2 233,00	2 500,00				30+			
2008 TV 145		2014	85 000,00	85 000,00			85 000,00	20+	Assumes regular maintenance		\$1 300
2007 TV 145		2015	59 000,00	70 000,00			70 000,00	20+	Assumes regular maintenance		\$1 300
HLA Snow wing		2013	13 720,00	14 000,00			14 000,00	20+			
Riest 10ft Blower		2013	27 800,00	30 000,00			30 000,00	10	Assumes regular maintenance		
Flail Mower		2015	9 000,00	14 000,00			14 000,00	10	Assumes regular maintenance		
Riding Mower		2017	3 000,00	3 200,00			3 200,00	10	Assumes regular maintenance		\$150
Jet/Av gas tank and pumps	60,000L Double wall tank	2017	300 000,00	300 000,00			300 000,00	50+ tank, 10 years for system pumps etc.	Aboveground tanks can last a long time with regular painting and maintenance. System components may required more regular replacements.		
Wings Café											
Café Upgrades		2012	51 500,00	52 000,00		5 000,00		10			
Café Equipment etc.		2012	20 000,00	20 000,00	1 500,00			10			
<b>Total</b>			<b>4 917 159,14</b>	<b>7 486 998,00</b>	<b>3 256 680,00</b>	<b>105 000,00</b>	<b>1 506 800,00</b>				