Airport Liaison Committee Meeting

Meeting: Niagara District Airport Liaison Committee Meeting
Location: Boardroom: Niagara District Airport
Date: Tuesday, March 20, 2018
Time: 2:00 PM to 3:00 PM

Confirmed: Chair Mayor Walter Sendzik, St. Catharines
Lord Mayor Pat Darte, Niagara-on-the-Lake
Mayor Jim Diodati, Niagara Falls
CAO Shelley Chemnitz, St. Catharines
CAO Holly Dowd, Niagara-on-the-Lake
CAO Ken Todd, Niagara Falls
Dan Pilon, Airport CEO
Councillor Terry Flynn, Chair, Niagara District Airport Commission

Regrets: Not applicable

AGENDA:

1. Welcome from the Chair: Mayor Walter Sendzik

2. EOI Documents*
   a. Review of documents
   b. Discuss next steps

Attachments*:
- Minutes: December 7th, 2017 NDA Liaison Committee Meeting
- EOI-17-55 Summary
- EOI-17-55 Expression of Interest
- EOI-17-55 Response: FlyGTA Inc.
- EOI-17-55 Response: Explorer Solutions
Airport Liaison Committee Meeting

The members of the Niagara District Airport Liaison Committee met on Thursday December 7, 2017 in the boardroom at the airport at 2:00 pm.

Present: Chair Lord Mayor Pat Darte, NOTL
Mayor Jim Diodati, Niagara Falls
Mayor Walter Sendzik, St. Catharines
CAO Holly Dowd, NOTL
CAO Shelley Chemnitz, St. Catharines
Len O’Connor, Airport CEO
Councillor Terry Flynn, Chair, Niagara District Airport Commission

Regrets: CAO Ken Todd, Niagara Falls

Guests: Corey Miles, Deloitte

Business

1. Presentation: Deloitte
Darren Roberts and Tom Strezos phoned in and with the assistance of Corey Miles, present the Valuation Executive Summary for the Niagara District Airport.
   • Estimated fair value market between $3.1M - $3.7M
   • NOTL getting land appraised separately
   • 2017 is the first year as a larger airport
   • Expected funds from Federal Government in 2020
   • Buildings are not worth a high value

2. Next Steps
Discussion took place regarding what needs to happen next;
   • Need to find more revenue to ensure upkeep for the future
   • Niagara Region is going to Regional Council to recommend the Region takes over Niagara District Airport
   • Len to put together list of equipment needed
   • Airport CEO job graded by Region’s Human Resources Department
   • Reach out to Region to request a Regional staff member be present at future meetings

Moved by Mayor Sendzik that the City of St. Catharines prepares an RFP, with the support of the Airport Manager, and explore the potential of interested purchasers or partners with an Expression of Interest, to see if there is any third party interests (including the Niagara Region) and report back once the RFP is finalized.
APPROVED

Next Meeting & 2018 Chair: TBD
### Table of Contents
<table>
<thead>
<tr>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Cover Letter</td>
</tr>
<tr>
<td><strong>2</strong> Executive Summary</td>
</tr>
<tr>
<td><strong>3</strong> Respondent Information</td>
</tr>
<tr>
<td><strong>4</strong> NDA Assessment &amp; Opportunities</td>
</tr>
<tr>
<td><strong>5</strong> Minimum Qualifications</td>
</tr>
<tr>
<td><strong>6</strong> Agreement Framework</td>
</tr>
</tbody>
</table>

#### 1 Cover Letter

The Respondent has identified 6 key barriers to success of the NDA opportunity. Currently providing services to and from the NDA. Has provided a brief overview of its operations however has not summarized its qualifications and approach to the NDA opportunity. The Respondent has provided a general overview on their understanding of the NDA and the desire to grow and expand operations. May ideas on what they would like to achieve has been identified as well as some of the key challenges. Good demonstration identifying “What they will do”, “Key Drivers to the Area”, and Key Challenges.

#### 2 Executive Summary

**Explorer Solutions** has identified 2 benchmarks (operation and growth strategies). When identifying barriers, they’ve indicated that the absence of an airport CEO/Manager for a prolonged period creates a void in the development continuum.”

**FLYGTA Inc.** has provided a general overview on the NDA, and the desire to grow and expand operations. May ideas on what they would like to achieve has been identified as well as some of the key challenges. Good demonstration identifying “What they will do”, “Key Drivers to the Area”, and Key Challenges.

#### 3 Respondent Information

**Explorer Solutions** has identified that they are interested in the consideration of a 2 stage partnership agreement and has provided a brief overview of its operations, services and the runway limitations. To be able to utilize the airport to the full potential, the strategic partners looking to invest into a location offering prime pieces of properties for the strategic partners looking to invest into a location that is poised for growth.

**FLYGTA Inc.** has identified that the NDA’s growth projections are better than its comparables. Explorer Solutions seems to have a good handle and understanding of the NDA. They have identified that the NDA’s growth projections are better than its comparables. Explorer Solutions has commented on each of the barriers and development of the NDA. They have identified that the NDA’s growth projections are better than its comparables.

#### 4 NDA Assessment & Opportunities

**Explorer Solutions** has identified that the NDA is a diamond in the rough. With marketing and development of the right services and competitive price levels it can be transformed to the first-class tourist destination. The respondent has indicated several qualifications that the City should consider when making its decision on our next steps. These include factors such as; Airport Operations, Development, Airport Management, Security, and Safety. The respondent has indicated several qualifications that the City should consider when making its decision on our next steps. These include factors such as; Airport Operations, Development, Airport Management, Security, and Safety.

**FLYGTA Inc.** is recognized for its expertise and skill set in working with small and mid-sized airports. The respondent has indicated several qualifications that the City should consider when making its decision on our next steps. These include factors such as; Airport Operations, Development, Airport Management, Security, and Safety.
### 7.2 Partnership with the Region of Niagara

This option has the advantage of spreading the financial responsibilities on four (4) partners instead of three (3) thus reducing every municipality exposure and liability. It also provides for extra funding capacity and more political support when funding request is presented to highest level of government. We would again recommend the partners look at the AMRF concept previously introduced as a way of enticing the municipal partners to invest at the airport.

No opinion provided.

### 7.3 Partnership with the Private Sector

This model is very much feasible. Potentially, this model is the most interesting one from our perspective. The private partner would require a long-term engagement to support capital investment and be able to generate a decent return on investment. We have previously described our vision and our role in a similar model.

INTERESTED

### 7.4 Sale of the Airport to the Private Sector

An airport is a public infrastructure that serves a large community and multiple types of activities. We believe NDA plays a crucial role in the region economy and should not be sold to the private sector.

No opinion provided.

### Post-EOI Process

<table>
<thead>
<tr>
<th>Comment on Option A and Option B described earlier in this document. Outline the Respondent’s preferred post-EOI process and schedule, which may differ from Option A and Option B. List possible evaluation criteria and list parameters the Respondent believes will contribute to a successful process. Discuss management of conflicts of interest that the Municipal Partners should consider in establishing minimum qualifications criteria (e.g., tenants, airlines, competing airports). Please limit to ten (10) single-sided pages.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preference for Option B as indicated in the RFP (Issuance of an RFP Process). The respondent has also indicated again the importance of Managing Conflicts of Interest.</td>
</tr>
<tr>
<td>Option B – Issuance of an RFP, shortlisting of RFP Respondents, a consultation stage involving each short-listed respondent regarding the form of the Agreement, and a bid stage. An evaluation panel would score proposals using qualitative criteria both related to the Respondent’s experience elsewhere and their proposed plans for managing and operating or purchasing the NDA. The evaluation panel would then make a recommendation regarding the respondent short-list. The Municipal partners would establish the final form of the Agreement to be offered to all short-listed Respondents after consultation with each short-listed Respondent regarding a Draft Agreement. Short listed Respondent would be invited to bid on weighted quantitative parameters. The Municipal Partners would recommend to award the Agreement to the highest bidder. Approvals by the Municipal Partners would be sought thereafter.</td>
</tr>
</tbody>
</table>

### Other Factors

<table>
<thead>
<tr>
<th>Outline other factors the Municipal Partners should consider and items the Respondent would like to discuss. Please limit to five (5) single-sided pages.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The respondent has included a number of items that the Municipal Partners may want to consider for its next steps.</td>
</tr>
</tbody>
</table>

LYOTA Inc. included specific information from the Environmental Assessment completed by WSP. I’m not sure if the EA completed by the NDA was released publicly? (This information was not released in the EOI)

### CONFIDENTIALITY

Explorer Solutions undertakes to consider and to treat strictly confidential all information that will be communicated to it as such by the Client and Contracting Authority in the scope of executing the present Contract, particularly manufacturing or business secrets, industrial, commercial or financial specifications relating directly or indirectly to the Client in regards to the services covered in the proposal. We shall, as a result, refrain throughout the duration of the present Contract, and without limitation in duration after its termination, for whatever reason, unless the above-mentioned information comes into common knowledge, from divulging the said information, in whatever form, for any reason and to any person whatsoever. We shall make all efforts in relation to the Client and Contracting Authority of the services to ensure fulfilment of these confidential undertakings by the members of its personnel who will be involved with the Client in performance of the present contract. All parties shall make all efforts to protect each other’s Intellectual Property, which may be disclosed to each other directly or indirectly, as a result of work performed under this contract.

Nothing Noted
EOI-17-55

Expression of Interest
For The PARTNERSHIP or PURCHASE of
The NIAGARA DISTRICT AIRPORT (NDA)

Expression of Interest No.: EOI 17-55
Issued: December 19, 2017
Submission Deadline: January 23, 2018, 2:00 pm local time

EOI CONTACT:
Justin Kelly
Purchasing Agent
jkelly@stcatharines.ca
City of St. Catharines
50 Church Street
St. Catharines, ON
L2R 74C2
1. Introduction

This Expression of Interest (“EOI”) is issued by the City of St. Catharines, on behalf of itself and the Municipal Partners. This EOI is issued for the purposes of gathering information about the marketplace in order to assist in the determination of future procurement options or requirements for the Niagara District Airport (NDA).

Municipal Partners Include;

- The Corporation of the City of Niagara Falls
- The Corporation of the Town of Niagara-on-the-Lake
- The Corporation of the City of St. Catharines.

With the objective of increasing the competitiveness and efficiency of the Niagara District Airport (“NDA”), the City of St. Catharines and its Municipal Partners are evaluating the feasibility of Partnership or Direct Sale of the NDA. Before commencing any formal solicitation process, the City of St. Catharines on behalf of the Municipal Partners are seeking Expressions of Interest (EOI) from qualified Partners to gain input guiding any further selection process and the form of Agreement. This EOI process and any submission received does not trigger a binding competitive process and will not, without future steps initiated by the City of St. Catharines, result in the selection of a Partner or constitute the sale of the NDA.

In all scenarios, there shall be no transfer or sale of land. Any land which the NDA resides on shall remain the property and control of the applicable Municipality.

Specifically, this EOI process seeks guidance for the Parties on the potential parameters, merits and feasibility of the following options;

i) **Transfer to the Region of Niagara**
This option would see the assets and operations of the Niagara District Airport completely transferred to the Region of Niagara by the owner / operators. The Town of Niagara-on-the-Lake would still control ownership of the land. The Region would have sole responsibility for funding and governance of the Airport.

ii) **Partnership with the Region of Niagara**
This option would involve a four-way partnership between the Region, Niagara Falls, Niagara-on-the –Lake, and St. Catharines. A new governance and operating model would have to be developed outlining the proportionate shares and responsibilities. The Town of Niagara-on-the-Lake would still control ownership of the land.

iii) **Partnership with Private Sector**
This option would see the current owner / operators seek out private sector parties who would invest in the Airport and provide necessary capital funds to undertake improvements to the airport infrastructure. A new operating and
governance model would need to be developed, however the owner / operators would still be involved in the governance and operation of the Airport. Niagara-on-the-Lake would still control ownership of the land.

iv) **Sale of the Airport to Private Sector**

This option would see the owner / operators completely divest themselves of the Airport through a sale of the assets to the private sector. The private sector would have sole responsibility for the funding and governance of the Airport. Niagara-on-the-Lake could either retain ownership of the land or decide to sell the land to the private sector.

Through the EOI submissions, interested parties are encouraged to provide comments and ideas regarding how the NDA can best meet the following objectives:

i) Return or grow airline traffic trends to the Niagara Region

ii) Cost effectively market the NDA

iii) Operate more efficiently; and develop short-term improvement initiatives and propose and maintain long-term capacity for growth

The specific content requested can be found in Section 5 of this EOI request. While the City of St. Catharines and it’s Municipal Partners are particularly interested in EOI submissions from parties qualified to operate and manage the NDA, any party with an interest in the competitiveness of the NDA are encouraged to provide a response to this EOI request, including interested parties that may not seek, on their own, to become a Partner or Owner of the NDA.

2. **EOI Timetable**

2.1 **Schedule**

Those interested in responding to the EOI should submit a response according to the time table listed below. The Municipal Partners will determine in its discretion whether to accept any submissions that are not received by the date and time set forth in this section.

<table>
<thead>
<tr>
<th>Issue Date of EOI</th>
<th>December 19, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deadline for Questions</td>
<td>January 9th, 2018</td>
</tr>
<tr>
<td>Deadline for Addenda</td>
<td>January 16th, 2018 @ [4:00:00 PM] local time</td>
</tr>
<tr>
<td>Submission Deadline</td>
<td>January 23rd, 2018 @ 2:00 pm local time</td>
</tr>
</tbody>
</table>

The EOI timetable is tentative. It may be changed at any time, and the City may choose to waive or extend the Deadline for Questions, Deadline for Addenda and/or the Submission Deadline.

All correspondence related to this EOI should be directed to the EOI contact as identified in this document.
3. Background

3.1 Basis for the EOI Process

In an effort to identify as many options as possible the Municipal Partners have decided to explore the feasibility and options for selecting a Partner for the long term Management of the NDA and/or consider the direct sale of the business. This EOI request is the result of the Municipal Partners interest improving the competitiveness and efficiency, while maintaining public safety, security, financial obligations and the interest to serving the best possible service to the communities served by the NDA.

3.2 Post EOI Process

Submissions arising for this EOI request are an important factor in determining whether the Municipal Partners may proceed with a competitive process designed to lead to an Agreement. While the Municipal Partners are not limiting future participation in a competitive bid process to the EOI Respondents or their organizational structure at the time of the EOI submission, a lack of meaningful input arising from the EOI process, either in terms of the number of submissions or their content, will reduce the likelihood that the Municipal Partners would proceed to a competitive process stage. EOI Respondents’ expressed views of the framework for a potential competitive process may be given serious consideration should the Municipalities proceed with the process after the EOI submissions are submitted and reviewed.

In addition, in order to gain additional clarification regarding an EOI submission and to maximize the effectiveness of any subsequent competitive process, the Municipal Partners may interview some or all EOI respondents prior to commencing a competitive process and the Municipality partner’s discretion. The basis of such interviews will be the EOI submission and its content.

If the Municipal Partners proceeds with a competitive process after the EOI stage, the Municipal Partners anticipates that the process may follow one of two paths;

- **Option A** – Issuance of a Request for Pre-Qualification (RFPQ) and, subsequently a Request for Proposal (RFP) from those RFPQ respondents deemed qualified.

  An evaluation panel would score the RFPQ responses largely on qualitative criteria related to the RFPQ Respondent’s experience elsewhere. The evaluation panel would then make a recommendation regarding the list of qualified Respondents.

  In the RFP stage, an evaluation panel would score and rank proposals arising from the RFP based on a pre-established set of qualitative and quantitative criteria related to the proposed management and operation of the NDA. After ranking proposals, the evaluation panel would make a recommendation / decision regarding the award of an Agreement. Approvals by the Municipal partners would be sought thereafter as deemed necessary.
Option B – Issuance of an RFP, shortlisting of RFP Respondents, a consultation stage involving each short-listed respondent regarding the form of the Agreement, and a bid stage.

An evaluation panel would score proposals using qualitative criteria both related to the Respondent’s experience elsewhere and their proposed plans for managing and operating or purchasing the NDA. The evaluation panel would then make a recommendation regarding the respondent short-list.

The Municipal partners would establish the final form of the Agreement to be offered to all short-listed Respondents after consultation with each short-listed Respondent regarding a Draft Agreement. Short-listed Respondent would be invited to bid on weighted quantitative parameters. The Municipal Partners would recommend to award the Agreement to the highest bidder. Approvals by the Municipal Partners would be sought thereafter.

Note: The Municipal Partners have not determined any evaluation criteria, bidding parameters, or the weighting of bidding parameters or the timeframe to complete a secondary phase have not been determined at this time.

3.3 Airport Information

3.3.1 Airport Location

The Niagara District Airport is located in the heart of the world famous Niagara Region, ideally positioned for both business and tourists. In addition to the famous Niagara Falls, the region offers historic Niagara-on-the-Lake and its popular Shaw Festival Theater, an abundance of local wineries with restaurants offering tours and tastings, fine dining, many outstanding golf courses, including the 36-hole Legends course and Casino Niagara and the New Fallsview Casino Report.

The airport is also only a short drive away from the Canadian Warplane Heritage Museum at Hamilton, the excitement of Toronto, and the major league sports attractions of Buffalo, NY.

The Airport coordinates are: Latitude (N) 43° 11 30" Longitude (W) 79° 10 18"

3.3.2 Airport History

Niagara District Airport - [http://www.niagaradistrictairport.ca/](http://www.niagaradistrictairport.ca/)

Officially opened on September 13, 1929 on the eastern edge of the City of St. Catharines (adjacent to the Welland Canal), the Niagara District Airport was relocated 3 miles northeast in 1935 to its present location. From the beginning, the St. Catharines Flying Club was intimately involved in the activities on the field and remain so to this day.
With the outbreak of World War II, the airport was deeded to the Federal Government and under the soon-to-be-formed British Commonwealth Air Training Plan; the Number 9 Elementary Flight Training School was established in the fall of 1940.

Some 1,848 pilots graduated under this plan, which was terminated on January 15, 1944. The airport then became the home to the Number 4 Wireless Training Unit of the Royal Canadian Air Force and operated in this capacity until August 15, 1945.

In 1959, the Niagara District Airport Commission was formed and is presently comprised of members from three financially supporting municipalities with a mandate to oversee the maintenance and operation of the airport.

Respondents are encouraged to seek clarification for any information that is deemed to be unclear. All inquiries shall be submitted to the EOI Contact identified herein.

3.3.3 Airport Inventory

The Airport was certified September 13, 1996 as a General Aviation Airport – to be used for public purposes (MF 123.25), The ICAO identifier is “CYSN”. The Airport is served by three runways, Runway 16/24 (5,000 feet long) and Runway 01/19 (2,500 feet long) and 11/29 (2,000 feet long). Runway 06/24 is 100 feet wide and both 01/19 and 11/29 are 75 feet wide. The Airport currently has a RNAV (GSP) non precision approach for runway 24 and NDB for runway 06.3 Runways 06/24 have PAPI's and in the near future Runways 06/24 will have the localizer performance with vertical guidance (LPV) approach system. The Airport property currently encompasses 329 acres.

The Airport has 13 hangers which are privately owned and 1 hanger (approx. 12,000 sq. ft. of which 1,800 sq. ft. is devoted to offices) which is presently owned by the NDA; fourteen (14) tie-downs, 3 plow trucks, 2 pickup trucks, 1 front end loader, John Deere Tractor, snow blower, tow behind sweeper/blower, various other pieces of equipment to support operations.

The NDA also has a resident Fixed Base Operator (FBO), Allied Aviation who provide services for all aircraft including fuel, both AVGAS and JET A1.

3.3.4 Operating Use and Lease Agreements

Currently, the NDA holds leases which run from 5 years to 20 years, majority are 20 years. One lease which was approved recently is a 50 year lease for an Airport Maintenance Organization (AMO), construction to start spring of 2018. The NDA is also in negotiations for a hangar development project covering 70 – 80 hangars to be built based on supply and demand, although still in negotiations, this lease could be another 50 years lease.

3.3.5 Airport Development

Under the Infrastructure Stimulus Fund (ISF) the NDA Airport has a total of 11.6 million dollars of improvements since 2010 including:
- Runway 06/24 rehabilitation
- New parallel Taxiway “C”
- Apron extension
- Airfield lighting – DCLED
- New Terminal
- New domestic water system
- Additional parking lot
- Improved groundside lighting
- New road to SW Aviation area (Hanger Line Road)
- Perimeter Fence with access controlled gates

3.3.6 Airport Statistics

Stats Canada and NAV CANADA show historical operations averaging 33,000 movements within the last 5 years, split evenly between local and itinerant operations. The number of aircraft based at the Airport is approx. 75 aircraft.

3.3.7 Governance

The ownership of the Niagara District Airport was transferred from the Federal Government to the Town of Niagara-on-the-Lake (“Town”) in 1996. The Niagara District Airport Commission (“Commission”) established in 1959, is entrusted with the control and management of the airport as per an agreement between the Town and the Commission dated September 13, 1996. The City of St. Catharines, The City of Niagara Falls, and the Town of Niagara-on-the-Lake have entered into an Airport Funding Agreement, which expires on December 31, 2026. The agreement established the Commission as a Joint Municipal Services Board under the Municipal Act and authorizes the Commission to hold all airport assets in trust. The Commission is a subsidiary of a municipal enterprise and, as such is exempt from corporate income taxes.

3.4 Area Demographics

3.4.1 The Corporation of the Town of Niagara-on-the-Lake

Niagara-On –The-Lake (2017 population 17,500) is a Canadian town located in Southern Ontario where the Niagara River meets Lake Ontario in the Niagara Region of the southern part of the Province of Ontario. It is located across the Niagara River from Youngstown, New York, USA. It is also the only town in Canada that has a Lord Mayor. The town is home to the Shaw Festival, a series of theatrical productions featuring the works of George Bernard Shaw, among others. The festival operates three theatres in the center of town: the Festival, Royal George, and Court House Theatres. The surrounding region enjoys a comparatively mild climate thanks to the adjoining lakes, and excellent soil for fruit production, for which it has become one of Canada’s centres. NOTL has grown into a major viticulture region. Visitors flock to dozens of nearby wineries, including those making the world’s largest volumes of ice wine. The town is
also known for its gardens, art galleries, antique shops, and golf courses. There are many hotels, inns, bed and breakfasts, and spas in the area.

3.4.2 The Corporation of the City of St. Catharines

The City of St. Catharines (2016 population 133,113; Niagara Region population 447,888) is the largest City in the Niagara Region and the sixth largest urban area in Ontario, Canada, with 97.11 square kilometers (37.5 sq. mi) of land. It lies in Southern Ontario 51 kilometers (32 mi) south of Toronto across Lake Ontario, and is 19 kilometers (12 mi) inland from the international boundary with the United States along the Niagara River. It is the northern entrance of the Welland Canal. St. Catharines is situated in an excellent area for commerce and trade since it is conveniently located between the Greater Toronto Area (GTA) and the Fort Erie–USA Border. As the commercial hub of the Niagara Region, St. Catharines has seen a flurry of economic activity in recent years. Cranes have been a regular feature of our recent downtown skyline. Today they have been superseded by impressive, state-of-the-art entertainment amenities and residential developments. Supported by three post-secondary institutions, the city is home to one of Canada’s newest hospitals and has enjoyed one of the country’s most significant auto plant investments in years. Private and public sectors alike are contributing extensively to St. Catharines’ renaissance. For more information about investment opportunities in St. Catharines visit www.investinstc.ca.

3.4.3 The Corporation of the City of Niagara Falls

The City of Niagara Falls, with a population of 89,000 people is ideally situated along the US-Canadian border. The City receives over 14 million visitors annually and had in excess of 13,000 hotel rooms to accommodate visitors from all over the world. There are several tourism attractions within the City which cater to the travelling public, including two world class Casinos, several highly ranked golf courses, the world renowned Niagara Parks Commission and its numerous attractions. In addition, the City is the home to the Scotiabank Convention Centre that caters to hundreds of conferences and trade shows annually. Niagara Falls is experiencing a recent growth surge and with the arrival of daily GO train service in 2023, this trend is expected to continue over the next 20 year period.
4. Information Requested

4.1 Format

Respondents should submit 5 copies of the EOI submission and one electronic copy on either CD Rom or a flash drive in WORD, or PDF format.

To facilitate more expeditious consideration of the EOI submissions, the Municipal Partners encourages EOI Respondent to follow a common format, as outlined below. Each numbered section should be a tabbed section in the EOI submission. No supplementary visual aids, video or extraneous material will be considered.

1. Table of Contents

2. Cover letter – Please limit to one (1) single-sided page

3. Executive Summary – Describe the focus of the EOI in terms of distinguishing features of the EOI Respondent’s unique qualifications, approach for evaluating the NDA opportunity, development and operation of the NDA, and a summary of comments on the proposed framework and solicitation process. Please limit to two (2) single-sided pages.

4. Respondent Information – Identify the Primary Respondent or Respondent team, including the name, title, email address, phone number and signature for each team member’s key contact. As background for the review of the EOI submission, outline the Respondent unique qualifications for operating commercial service airports. Please limit to two (2) single-sided pages.

5. NDA Assessment and Opportunities - The Municipal Partners are interested in comments on the following:

   a. The general assessment of the NDA
   b. Achievable benchmark targets for the NDA and other opportunities such as service goals.
   c. Key barriers to achieving greater success at the NDA
   d. How a Partnership or the sale of the NDA business would result in more efficient operations at the NDA and what goals the Respondents might establish for achievable results.
   e. Types of marketing efforts the Respondent would use to promote the NDA
   f. The feasibility and potential challenges of executing an Agreement about transition issues once an Agreement is executed.

   Please limit to ten (10) single sided pages.

6. Minimum Qualifications – Describe any minimum standard for a qualified Partnership or Purchaser the Respondent believes the Municipal Partners should establish for any competitive stage of this process. Discuss management of conflicts-of-interest that should be considered in establishing
minimum qualifications criteria (e.g., tenants, airlines, competing airports). Please limit to three (3) single-sided pages.

(7) **Agreement Framework** – Describe your preferred Terms of Agreement or (relationship) with the Municipal Partners (Partnership or Purchaser). Identify any important issues and topics the Municipal Partners should resolve prior to commencement of a competitive process. Please limit to five (5) single-sided pages.

(8) **Post-EOI Process** – Comment on Option A and Option B described earlier in this document. Outline the Respondent’s preferred post-EOI process and schedule, which may differ from Option A and Option B. List possible evaluation criteria and bid parameters the Respondent believes will contribute to a successful process. Discuss management of conflicts-of-interest that the Municipal Partners should consider in establishing minimum qualifications criteria (e.g., tenants, airlines, competing airports). Please limit to ten (10) single-sided pages.

(9) **Other Factors** – Outline other factors the Municipal Partners should consider and items the Respondent would like to discuss. Please limit to five (5) single-sided pages.

5. **EOI Contact**

For the purposes of this procurement process, the EOI Contact will be:

Justin Kelly, Purchasing Agent
City of St. Catharines
jkelly@stcatharines.ca

Respondents should direct any questions on this EOI process to the same EOI Contact.

6. **Submission Instructions**

6.1.1 **Submission Location**

The following policy regarding EOI submissions and the opening procedures will be applicable for this project. Respondents are requested to strictly adhere to the instructions concerning submissions.

EOI submissions are to be submitted using the Respondents own envelope. A submission label has been included in this document. Respondents are encouraged to use the submission label provided, however may submit with their own label bearing the same information.
6.2 Timing of Submission

Responses should be submitted and finalized on or before the Submission Deadline set out in the EOI Timetable.

Respondents submitting a response in person will receive a submission receipt identifying the date and time that the submission was received. Submissions received via courier will be recorded by receipt, however will not receive a copy of the receipt.

6.3 Requested Information

Responses should include a completed and signed Respondent Submission Form (Appendix A) that acknowledges, among other things (responses to information requested in Section 4), that this EOI and any respondent submissions will not create a legal relationship or obligation regarding the procurement of any good or service.
Appendix A – Respondent Submission Form

1. Respondent Information

Please fill out the following form, naming one person to be the respondent’s contact for the EOI process and for any clarifications or communication that might be necessary.

| **Full Legal Name of Respondent:** |  |
| **Any Other Relevant Name under which Respondent Carries on Business:** |  |
| **Street Address:** |  |
| **City, Province/State:** |  |
| **Postal Code:** |  |
| **Phone Number:** |  |
| **Fax Number:** |  |
| **Company Website (if any):** |  |
| **Respondent Contact Name and Title:** |  |
| **Respondent Contact Phone:** |  |
| **Respondent Contact Fax:** |  |
| **Respondent Contact Email:** |  |

2. Terms of Reference

In responding to this EOI, the respondent acknowledges its acceptance of the following EOI Terms of Reference:

a. Expression of Interest Not a Formal Competitive Bidding Process

This EOI is issued for information-gathering purposes and is not intended to be a formal legally binding “Contract A” bidding process. Without limiting the generality of the foregoing, this EOI will not necessarily result in any subsequent negotiations, direct contract award, invitational tendering process or open tendering process, and does not constitute a commitment by the Municipal Partners to procure any goods or services.
b. EOI Not to Limit the Municipal Partners Pre-existing Rights

This EOI will not limit any of Municipal Partners pre-existing rights. Without limiting the generality of the foregoing, each Municipal Partner expressly reserves the right, at its discretion, to:

(i) seek subsequent information or initiate discussions with any potential supplier, including potentials suppliers that did not respond to this EOI;
(ii) initiate direct negotiations for the procurement of any good or service with any potential supplier or suppliers, regardless of whether the potential supplier or suppliers responded to this EOI;
(iii) contact a limited number of potential suppliers, which may include only those that responded to this EOI or may include potential suppliers that did not respond to this EOI, for the purpose of a competitive process for the procurement of any good or service;
(iv) elect to proceed by way of open tender call where all potential respondents, including those that did not respond to this EOI, are eligible to compete for the award of a contract for the supply of any good or service; and
(v) elect not to procure the good or service that is the subject of this EOI.

These expressly reserved rights are in addition to any and all other rights of each Municipal Partner that existed prior to the issuance of this EOI.

c. Pricing Information for General Information Purposes Only

Any pricing information provided by Respondents is for general information purposes and is not intended to be binding on Respondents. Any legally binding pricing or purchasing commitments will be established only where specified by the express terms of a subsequent tender call process or where established through the execution of a written agreement.

d. Information in EOI Only an Estimate

The Municipal Partners and its advisers make no representation, warranty or guarantee as to the accuracy of the information contained in the EOI or issued by way of addenda. Any quantities shown or data contained in this EOI, or provided by way of addenda, are estimates provided only as general background information.

e. Parties Responsible for Their Own Costs

The Municipal Partners will not be liable for any expenses incurred by a Respondent, including the expenses associated with the cost of preparing responses to this EOI. The parties submitting a response to this EOI will bear their own costs associated with or
incurred through this EOI process, including any costs arising out of, or incurred in, (i) the preparation and issuance of this EOI; (ii) the preparation and making of a submission; or (iii) any other activities related to this EOI process.

f. **Accuracy of Responses**

The respondent acknowledges that the information provided is, to the best of its knowledge, complete and accurate.

g. **Submissions Will Not Be Returned**

Except where set out to the contrary in this EOI or expressly requested in the Respondent's submission, the submission and any accompanying documentation provided by a respondent will not be returned.

h. **Confidential Information of Municipal Partners**

All information provided by or obtained from the Municipal Partners in any form in connection with this EOI either before or after the issuance of this EOI (i) is the sole property of the Municipal partners and must be treated as confidential; (ii) is not to be used for any purpose other than replying to this EOI; (iii) must not be disclosed without prior written authorization from the EOI Contact; and (iv) must be returned by the respondent to EOI Contact immediately upon the request.

The respondent may not at any time directly or indirectly communicate with the media in relation to this EOI without first obtaining the written permission of EOI Contact.

i. **Disclosure of Information**

The respondent consents to the collection of information for the uses contemplated under the EOI. Respondents should not include information in their response that is proprietary or confidential. Information provided by a respondent may be released in accordance with governing laws. To the extent that a respondent does include confidential or proprietary information, the respondent should identify any information in its submission or any accompanying documentation supplied in confidence for which confidentiality is requested to be maintained. The confidentiality of such information will be maintained by Municipal Partners, except where an order by a tribunal or court requires the Municipal partners to do otherwise. The respondent consents to the disclosure, on a confidential basis, of this submission by Municipal partners to advisers retained for the purpose of reviewing this submission.

The respondent acknowledges that the name(s) of any and all Respondents may be made public.
j. **Governing Law**

This EOI process will be governed by and construed in accordance with the laws of the province of Ontario and the laws of Canada applicable therein.

<table>
<thead>
<tr>
<th>Signature of Witness</th>
<th>Signature of Respondent Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Witness</td>
<td>Name of Respondent Representative</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Title of Respondent Representative</th>
</tr>
</thead>
</table>

Date
EOI SUBMISSION – EOI-17-55

EXPRESSION OF INTEREST
FOR THE PARTNERSHIP OR PURCHASE OF THE
NIAGARA DISTRICT AIRPORT

TO: THE CORPORATION OF THE CITY OF ST CATHARINES

50 CHURCH STREET
CITY HALL
2ND FLOOR, CITIZENS FIRST COUNTER
ST. CATHARINES, ONTARIO
L2R 7C2

CLOSING DEADLINE – January 23, 2018 at 2:00 pm
EOI-17-55

PARTNERSHIP or PURCHASE of
The NIAGARA DISTRICT AIRPORT (NDA)

January 22, 2018
FLYGTA Inc., operating as FLYGTA Airlines, is a Canadian air operator serving southern Ontario. As of November 6, 2017, the airline serves four destinations with scheduled return flights from Billy Bishop Toronto City Airport to Lake Simcoe Regional Airport, St. Catharines/Niagara District Airport, and Region of Waterloo International Airport. Not just an airline, FLYGTA also provides sightseeing tours over Toronto and Niagara Falls as well as custom charters. Utilizing our prop planes out of Billy Bishop Toronto City Airport and Jets out of surrounding airports including Pearson, we can whisk you to your destination in style. Destinations can include cities such as Montreal, Quebec City, New York City, Chicago, Boston and anywhere in Southern Ontario, and longer destinations such as Florida, and the Bahamas. Custom tours & packages in the Niagara Region are also a possibility with FLYGTA. Using our aircraft and Limousine fleet, we can pick up anywhere in Southern Ontario and make your Niagara experience truly memorable. Whether it is a custom tour to the Falls, Casinos, Wineries, or all three, your personalized experience will be fun and unforgettable. We represent the first specialized private entity that is bringing the new vision to the area. Our experience and operational knowledge will provide the required catalyst to enable the NDA to reach the full passenger service potential.
Niagara Region is one of the most unique locations in the world. Niagara is a global brand through the wonder of Niagara Falls and is strategically located on the border of the busiest port of entry connecting the U.S. and Canada. The new economic development program is creating forward thinking strides in securing economic stability and expansion of the 12 municipalities that it represents and the airport as the new hub for commercial and general aviation.
Executive Summary

City of St. Catharines, on behalf of itself and the Municipal Partners has issued EOI for the purposes of gathering information about the marketplace to assist in the determination of future procurement options or requirements for the Niagara District Airport (NDA).

Municipal Partners Include;

The Corporation of the City of Niagara Falls
The Corporation of the Town of Niagara-on-the-Lake
The Corporation of the City of St. Catharines.

With the objective of increasing the competitiveness and efficiency of the Niagara District Airport (“NDA”), the City of St. Catharines and its Municipal Partners are evaluating the feasibility of Partnership or Direct Sale of the NDA.

Strategic partnership between Niagara region and the private corporation FLYGTA Inc would, based on the financial analysis presented in the section (5) below, propose the following:

Strategic partnership would take over the business of NDA operations with the additional purpose of developing, upgrading and servicing by implementing a new governance model and investing in the expansion of the airport capacity, improving current infrastructure and adding new facilities.

In summary, the strategic partners will:

- Expand the runway 06/24 to 6000 ft to accommodate regional jet traffic including grooved runway surface facilitating safer inclement weather operation.
- Implement new AMO (approved maintenance organization) services and build necessary facilities to handle GA and regional equipment and airframes.
- Build the new terminal extension that would include a security “sterile” area and possibly U.S pre-clearance facilities. The new terminal extension development will bring direct point-to-point scheduled regional airline services connecting Niagara Falls to Canadian cities such as Ottawa, London, Kingston, Kitchener, Peterborough, Sudbury, Windsor, Winnipeg and US cities such as Detroit, Cleveland, Pittsburg, Cincinnati, Indianapolis.
- Build 70-100 new GA hangars and improve access and services to bring 200-250 aircraft to be based at the NDA.
- Implement executive class services to travelers to the region and City of Niagara Falls, Town of Niagara-on-the-Lake and the City of St. Catharines.
- Provide experience and knowledge in effective marketing strategies needed to improve public visibility of the airport and facilities.
- Bring/develop more executive style FBO, which provide aircraft maintenance (jet aircraft and jet engines), and aircraft sales. Our vision is to be recognized by our customers, our teammates and our vendors as the premier FBO of choice. Our mission is to provide exceptional aviation services to our customers through dedication to quality, safety, and efficiency while maintaining a commitment to growth and the development of our vision.

FLYGTA Inc.
- Provide a plan to give back to community by investing in various social programs, organizing airport day, International fly-ins.
- Install 24h self-serve fuel option for the GA aircraft.
- Implement air cargo services.
- Develop pilot and aircraft supplies shop, roof top name brand steak house and pizza restaurant with the apron view.
- Permit aircraft sales and service center, such as Daher-Socata, Piper, Textron-Cessna.
- Develop a plan for seamless transfer between the airport and the tourist destinations in the entire Niagara Region.
- Implement passenger security screening CATSA program.
- Start regional airline based at NDA
- Start College Flight Training option based at NDA
- Implement non-aviation revenue generating programs (solar farm, and telco tower).

Key drivers to the area

The Niagara region has popular tourist attractions such as Niagara Falls, Niagara-on-the-Lake along with the Shaw Festival, an abundance of vineyards, and many outstanding golf courses, which attracts tourists from around the world. The Niagara region is also surrounded by a large US market due its proximity to the US border and hence, attracts many tourists from major cities in the US as well. The Niagara region’s primary catchment area in terms of traffic volume comes mostly from its inbound visitors, which make up almost 85.0% of the total traffic due to high demand stemming from its tourism industry. As at the Valuation Date, NDA does not have any significant commercial service yet other than FLYGTA, thus most of the Niagara region’s inbound share of passenger traffic is leaked to various other competing airports around NDA. Visitors to the region could potentially save time by flying to NDA versus going through the Toronto and Buffalo airports.

Increased regulatory focus on airports receiving investments is expected to be a key driver for the growth in this industry. The Canada Transportation Act Review, 2016 recommends that in order for airports to be cost-competitive, they require adequate levels of investment. This investment could be from two sources: government funding and/or private sector equity investment (i.e. privatization or partial-privatization of airports). Additional funding or improved access is expected to help NDA finance the facility upgrades needed to accommodate commercial service in the short-term as well as longer-term infrastructure improvements such as a runway extension.

Key challenges

Adequate runway length is a critical parameter to assess the viability of an airport to provide commercial services to airlines. NDA’s 5,000 ft runway has limitations with respect to pursuing regional services.

Nonexistent special aviation services such as a full service FBO and commercial AMO.

FLYGTA Inc.
Nonexistent executive and VIP services providing clientele enhanced experience with travel and personal experience services.

NDA is located in the close proximity to Canada’s busiest airport and multiple other airports on both sides of the Canada-United States border. Hence, it faces competition not only from other secondary airports in the region but also from airports in the US.

**Respondent Information**

FLYGTA - Niagara Region

Chris Nowrouzi – FLYGTA - Chief Executive Officer

Tel: 416-845-8581

Email: chris@flygta.com

Signature: ________________________________

Ruedi Suter – Past Chair of Niagara District Airport Commission

Tel: 905-325-8473

Email: ruedi@infrno.us

Signature: ________________________________

David Nissan – FLYGTA – Chief Operating Officer

Tel: 647-200-9703

Email: david@flygta.com

Signature: ________________________________
NDA Assessment and Opportunities

- General assessment of the NDA:
  NDA is seen as a diamond in the rough. With marketing and development of the right services and competitive price levels it can be transformed into the first-class tourist destination. Currently the airport is performing inefficiently due to the lack of attractive services and the runway limitations. To be able to utilize the airport to the full potential, the partnership team is established between Niagara Region which will handle and finance all airport operations and FLYGTA which will handle all business development and finance the land development and business operations. Niagara District Airport throughout a land use study designated land parcels for airside and groundside development opportunities. The eight (8) identified development opportunities leverage the existing airport assets while offering prime pieces of properties for the strategic partners looking to invest into a location that is poised for growth.

- Achievable benchmark for the targets are proposed to be introduced as a multi-phase development project which will deliver the following service improvements as the project milestones:

  **PHASE 1**
  The airport development and runway expansion will add grooved 1000ft extension to the existing runway, which will enable a larger regional aircraft to utilize the 6000ft total length of the main runway safely. Monthly revenue is from increased capacity and is estimated to be in the range of $100,000 - $120,000 CAD.
### Runway Length vs. Passengers

<table>
<thead>
<tr>
<th>Airport</th>
<th>Runway (ft)</th>
<th>Service</th>
<th>Inbound PAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto Island</td>
<td>4,000</td>
<td>Porter</td>
<td>1,200,000</td>
</tr>
<tr>
<td>London City UK</td>
<td>4,500</td>
<td>Europe</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Key West FL</td>
<td>4,800</td>
<td>ATL: 140,000 MIA: 100,000 FL: 110,000</td>
<td>350,000 Visitors: 3 million</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>Toronto (+ BUF)</td>
<td>NYC: 74,000 YUL: 62,000 CAN: 276,000</td>
<td>412,000 Visitors: 12 million</td>
</tr>
<tr>
<td>Buffalo NY</td>
<td>8,800</td>
<td>US East</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Niagara Falls NY</td>
<td>9,800</td>
<td>FL: 100,000</td>
<td>120,000</td>
</tr>
</tbody>
</table>
GA Hangars

Commercial and Private Hangar Development Niagara District Airport identified an immediate investment opportunity for the development of General Aviation (GA) hangars based on strong customer demand and is inviting interested parties to partner in an excellent growth opportunity. There are close to 100 aircraft based at Niagara District Airport with a demonstrated immediate demand for more GA hangar space, making this a prime opportunity to get involved in the expanding local aviation market. A survey was carried out in 2014 to evaluate the need of the current airport tenants and users for additional storage space. The results show that an estimated 16 new hangars totaling 24,000 sq.ft. would be required to respond to the growing demand.

The proposed development site is located at the south west portion of the airport property. The designated site offers a direct access to both the main and cross-wind runway. Ideally situated at the junction of the two runways, the site will allow for short taxiing time to take-off.

PHASE 2

Passenger screening area (security hold) to be built on the existing portion of the unused apron area. This area will be utilized by the CATSA representatives to perform screening duties with passengers during the pre-boarding process. The area is moved to the apron area to be clear of the proposed stage areas for the new terminal extension that will be built in the next phase. Parameter gate will also be built to secure the pathway to the hold area.
FBO
Fixed base operator that provides comprehensive commercial, business, and general aviation services including maintenance, interior retrofits, avionics retrofits, structural repairs, turbine and piston engine services, aircraft, and aircraft parts sales. The new FBO will be Transport Canada, FAA and EASA approved station which will attract the major commercial and business carriers to send airplanes by combining the attractive entertainment and travel experience alternatives, while the aircraft are being serviced.
PHASE 3
U.S Arrival and departure gates and implementation of the large passenger volume CATSA/CBSA security screening. Additional aviation and non-aviation (cargo, flight college, regional airline) field services provided.
PHASE 4
Regional air traffic link to other centers with the addition of the roof top branded restaurant and bar, retail space for food, beverage, souvenirs, electronics and duty-free merchandise. Estimated monthly revenue is expected in range of $20,000 to $35,000 CAD. The terminal area will include 3 active gates for the regional jets and 2 – 3 stands for the business and VIP aviation. Apron area close to the existing flying club will be utilized for general aviation parking.

- Key barriers to achieving targets
  Runway length – extension to 6000ft with a grooved surface
  Proximity to Pearson
  3 airplanes on the apron

- Achievable results (how are we going to be improving the business)
  Provide balanced variety of services on the airport including:
  Aircraft sales and service,
  Restaurants and shops
  FBO
  Fuel – card lock
  VIP and executive travel packages,
- Niagara Falls and Niagara on the lake packages, Wineries, sightseeing, tour packages (organize taxi “free $25 credit”, shuttle bus) improved connecting infrastructure.

- Types of marketing efforts
  Direct marketing, regional marketing, promotion of the Niagara tourism, promotion of the world-famous service centers. Bringing brand name food offerings, proximity to the shopping center, Niagara air tours, winery tours.

- Joint proposal from the Region of Niagara and the FLYGTA established the baseline analysis that there is a significant opportunity to realize with this project. Niagara region attracts over million visitors annually and it is estimated that using a conservative approach we can estimate the Niagara Region should be able to support just over 80,000 departing seats per year, equating to roughly 3 departures daily.
If Niagara District Airport captures 64,000 PAX/year (each way) average 3 flights/day (A/C Type, seasonal) (Tourism Partnership of Niagara & RRC Associates, 2013)

= + $30-60 Million added Economic Impact
= + $1,900,000 Operating Revenues (RRC Associates Model, Explorer Solutions Business Case 2014)

AIR ACCESS WILL BECOME A SIGNIFICANT DRIVER OF ECONOMIC GROWTH FOR

Niagara Region
FLYGTA Inc.

Qualifications

FLYGTA is an existing airline, with a proven track record, and has been in talks with the airport and region for similar developments.

Agreement Framework

Niagara District Airport is ideally situated to become a General Aviation Hub and Maintenance Centre where aviation enthusiasts can take advantage of the local tourist attractions and a state of-the-art airport infrastructure, while having on-site maintenance and modification available for their aircraft. The proposed development will offer turn-key solutions for pilots who are looking for an affordable, easy to access location to service all their GA needs. The focus will be on fixed wing aircraft targeting the business, regional airline, and GA segments. Niagara District Airport is the perfect location to develop an aviation-services hub catering to the GA market. With close proximity to the U.S. market, and the highest percentage of GA aircraft owners in Ontario, the market is poised for immediate growth to accommodate new economic opportunities. Located in the heart of the world-famous Niagara Region in southern Ontario, 30 minute drive to the US border and 10 minute flight from Ontario’s provincial and Canada’s financial and culture capital, Toronto, the region contains several desirable and growing communities offering the most cost-effective locations for doing business in Ontario. As a major tourism destination, the local prime tourist attractions are also perfectly suited for attracting GA clientele (vineyards, high-end activities, lodging, Niagara Falls) looking for convenient and efficient aircraft services, whether long or short-term airport tenants. The Niagara District Airport location also offers many other competitive advantages for aviation partners interested in participating in this development, including:

- Attractive location - Low cost destination for GA aircraft owners (hangar rental, fuel, airport fees);
- Top rated terminal facilities;
- Established aircraft tenants at the airport;
- Available airside land for hangars and buildings required by the project; and
- Professional support staff focused on customer service.

As the QEW highway corridor between Toronto and Niagara becomes more congested, business and leisure travelers will demand efficient transportation options that will save precious time and provide convenience in traveling to other destinations. Passengers departing from Niagara District Airport will be able to make connections with Air Canada and Porter that provide flights to destinations across North America from Toronto Island.

Expanding Scheduled Passenger Services Capacity

The scope of passenger services to be developed in the future will depend on infrastructure improvements, including a new terminal building with passenger handling capabilities and runways able to handle various sized aircraft. Investment in state-of-the-art terminal facilities and services has shown to increase potential for growth in both scheduled and charter passenger services and related aviation businesses in several airports in Ontario (i.e. Peterborough, Waterloo) with unique location and service provision profiles. Niagara District Airport, while in close or reasonable proximity to two international airports (Buffalo and Toronto Pearson) has

FLYGTA Inc.
the opportunity to build its business base through development of passenger services that meet the niche Niagara business and leisure traveler needs by providing convenient, competitive cost flight options to trans-border and domestic locations. Terminal Building and Infrastructure Cost for terminal expansion and infrastructure upgrades to secure and meet predicted aircraft movement opportunities is estimated at $5.89 million. The provincial and federal governments have shown support for development of smaller airports through a variety of incentive programs, including grants and repayable loans. Niagara District Airport is more than a just a great location for aircraft of all sizes to land and take-off - it is a place for diversified business growth and opportunities, all built on the framework of a dynamic aviation economy in one of Ontario's most desirable communities. Niagara is well known for tourist attractions, as a centre for agriculture and world class wineries, but the region is also the home of a wide variety of businesses making Niagara a diversified economy. Manufacturing, agribusiness, food and beverage, transportation, and logistics are other key growth engines for the community contributing to make the Niagara region a great place to find opportunities and grow your business. The convenient access to the regional airport allows businesses to ship goods in a timely manner and easily connect with their clientele and suppliers located in southern Ontario and in the U.S. These attributes contribute to ensure that investing in, or partnering with, Niagara District Airport will positively impact your future business growth in the aviation industry, and provide significant economic impact.

The land development approach of Niagara District Airport also aims at diversifying the opportunities for its future tenants through the creation of its Aviation Business Park. Scheduled passengers and cargo services will allow businesses to better market their products and services to nearby markets. The new air routes will also bolster the regional touristic economy by attracting an increased number of travelers to the Niagara region. Supporting business growth at Niagara District Airport is a key priority for the region and our experienced professional team is dedicated to ensuring that your experience as an airport partner will meet and exceed expectations.

Strategic partnership between the Niagara Region and the FLYGTA would propose that the airport land still remain an asset of Town of Niagara-on-the-Lake and that airport operations be handled through the partnership of FLYGTA and the Niagara Region chosen Board of Directors. Land and business development and airport management will be handled by the private entity FLYGTA and their associated investor group. An annual agreed profit sharing plan will be established between the strategic partners and the municipalities involved in the ownership of the said airport lands.

**Post-EOI Process**

**Option B – RFP short listed**

Evaluation criteria and parameters that the strategic partners, Niagara Region and FLYGTA, can bring to the table to have a successful process.

**Option B** – Issuance of an RFP, shortlisting of RFP Respondents, a consultation stage involving each short-listed respondent regarding the form of the Agreement, and a bid stage. An evaluation panel would score proposals using qualitative criteria both related to the Respondent’s experience elsewhere and their proposed plans for managing and operating or purchasing the NDA. The evaluation panel would then make a recommendation regarding the respondent short-list. The Municipal partners would establish the final form of the Agreement to be offered to all short-listed Respondents after consultation with each short-listed Respondent regarding a Draft Agreement. Short-
listed Respondent would be invited to bid on weighted quantitative parameters. The Municipal Partners would recommend to award the Agreement to the highest bidder. Approvals by the Municipal Partners would be sought thereafter.

Other Factors
Environmental assessment Phase 1 and 2 ESA reviews and the base line formalization to limit the future liabilities. Liabilities for land (spills, future contamination with the increased traffic, soil issues, wineries) will lay with the land owner. Discussions on this topic are expected to occur in the post EOI process. Series of meetings will be scheduled between the interested parties.

WSP was retained by Niagara District Airport (NDA) to conduct a Phase II Environmental Site Assessment (ESA) for the NDA property located at 468 Niagara Stone Road, Niagara-on-the-Lake, Ontario, herein referred to as the ‘Site’. The Site consists of approximately 130 hectares (322 acres) of land on the north side of Niagara Stone Road (Highway 55), in the Town of Niagara-on-the-Lake, Ontario. The Site is situated approximately 1.6 km east of the City of St. Catharines in an agricultural and rural residential area. The Site operates as a municipal airport including three runways, four taxiways, a terminal apron, terminal building, several aircraft hangars, maintenance facilities, and a refueling area.

A Phase I ESA was recently completed by WSP for the Site for due diligence purposes prior to the potential sale of the property. The Phase I ESA recommended that a Phase II ESA was required to investigate soil and groundwater conditions in ten areas of potential environmental concern (APECs) identified on the Site. Contaminants of potential concern in soil and groundwater included petroleum hydrocarbons (PHCs), volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), metals and inorganics, polychlorinated biphenyls (PCBs), and perfluoroalkylated substances (PFAS). Intrusive soil sampling through the advancement of boreholes and groundwater sampling from pre-existing and newly installed monitoring wells were used to investigate the subsurface conditions at the Site. A total of 12 boreholes were advanced on the Site; seven were completed as monitoring wells. One pre-existing monitoring well was also sampled to assess groundwater quality in the fuel storage area.

The boreholes were advanced through a surface layer of either topsoil, sand and gravel, fill, or asphalt. Native silty clay to clayey silt glacial till (Halton Till) was encountered beneath the surface layer. The Halton Till unit extended to the maximum drilling depth of 7.6 mbgs. Regional geological mapping shows bedrock in the area consists of red shale of the Queenston Formation. The overburden drift thickness at the Site is estimated to range from approximately 21 to 30 m. Shallow groundwater is present within the Halton Till and the inferred groundwater flow direction is to the north towards Lake Ontario.

A total of 25 soil samples and 11 groundwater samples (including duplicates) were submitted for laboratory analysis of contaminants of concern. Analytical results were compared to the Ministry of the Environment and Climate Change (MOECC) Table 2: Full Depth Generic Site Condition Standards in a Potable Ground Water Condition for Industrial/Commercial/Community Property Use with medium and fine textured soils as outlined in the Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the Environmental Protection Act (April 15, 2011), hereinafter referred to as the “Table 2 SCS”.

Based on the results of the investigation, the following parameter exceedances were observed in the submitted soil and groundwater samples:

**Soil**
- Samples 17-01 S2 and 17-05 S2 exceeded the applicable Table 2 SCS for conductivity.

**Groundwater**
- Samples 17-01, 17-06 and 12-1 exceeded the applicable Table 2 SCS for cobalt;
- Samples 17-01, 17-10 and 12-1 exceeded the applicable Table 2 SCS for sodium;
- Sample 17-06 exceeded the applicable Table 2 SCS for selenium; and,
- Samples 17-01, 17-02, 17-05, 17-06, 17-10, 17-11 and 12-1 exceeded the applicable Table 2 SCS for uranium.

Based on the work completed, soil and groundwater quality on the Site do not meet the applicable Table 2 SCS. We note that proposed amendments to O. Reg. 153/04 may eliminate the need to address exceedances for conductivity in soil and sodium in groundwater related to the use of road salt.
<table>
<thead>
<tr>
<th><strong>Respondent Information</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full Legal Name of Respondent:</strong></td>
</tr>
<tr>
<td><strong>Any Other Relevant Name under which Respondent Carries on Business:</strong></td>
</tr>
<tr>
<td><strong>Street Address:</strong></td>
</tr>
<tr>
<td><strong>City, Province/State:</strong></td>
</tr>
<tr>
<td><strong>Postal Code:</strong></td>
</tr>
<tr>
<td><strong>Phone Number:</strong></td>
</tr>
<tr>
<td><strong>Fax Number:</strong></td>
</tr>
<tr>
<td><strong>Company Website:</strong></td>
</tr>
<tr>
<td><strong>Respondent Contact Name and Title:</strong></td>
</tr>
<tr>
<td><strong>Respondent Contact Phone:</strong></td>
</tr>
<tr>
<td><strong>Respondent Contact Fax:</strong></td>
</tr>
<tr>
<td><strong>Respondent Contact Email:</strong></td>
</tr>
</tbody>
</table>
EOI-17-55
Expression of Interest for the Partnership or Purchase of the Niagara District Airport (NDA)

City of St. Catharines

January 23th, 2018
Notice of Confidentiality

The content of the present service offer is private and confidential and cannot be reproduced, in full or in part, except only if necessary for evaluation purposes of the offer. The recipient promises to preserve the confidential nature of the information contained in the present service offer and will take all necessary actions to prevent non-authorized copying, divulgence or transmission, in part or in full, of this information.

The recipient also promises not to use, modify, translate, adapt, convert or exploit the content of the present service offer, and not to permit access to competitors of Explorer Solutions, without written consent from Explorer Solutions.

1494, Montarville St, Suite 205
Saint-Bruno-de-Montarville, QC J3V 3T5
1. Table of Contents

1. TABLE OF CONTENTS ........................................................................................................ 3
2. COVER LETTER .................................................................................................................. 4
3. EXECUTIVE SUMMARY ..................................................................................................... 5
4. RESPONDENT INFORMATION .............................................................................................. 7
   4.1 MAIN RESPONDENT: .................................................................................................... 7
   4.2 RESPONDENT TEAM ..................................................................................................... 8
5. NDA ASSESSMENT AND OPPORTUNITIES ......................................................................... 12
6. MINIMUM QUALIFICATIONS ............................................................................................... 17
7. AGREEMENT FRAMEWORK ................................................................................................. 18
   7.1 TRANSFER TO THE REGION OF NIAGARA ................................................................. 19
   7.2 PARTNERSHIP WITH THE REGION OF NIAGARA ....................................................... 19
   7.3 PARTNERSHIP WITH THE PRIVATE SECTOR .............................................................. 19
   7.4 SALE OF THE AIRPORT TO THE PRIVATE SECTOR .................................................... 19
8. POST-EOI PROCESS ............................................................................................................. 20
9. OTHER FACTORS ................................................................................................................. 20
10. CONFIDENTIALITY ............................................................................................................. 22
11. SIGNATURE .......................................................................................................................... 22
2. **Cover letter**

Explorer Solutions (ES) is a team of consultants that specializes in airport planning, development and sustainability, aerospace and aviation trends, economic studies, alternate revenue generation at airports and airport marketing/economic development. Our company is recognized for its expertise and skill sets in working with small and mid-sized airports. For this EOI, we have assembled a team of experienced senior consultants who have core competencies in airport planning, management and marketing, economic studies, alternate revenues, finance, the aerospace/aviation sector and investment.

The Explorer Group was created in 1995 with two offices, one in Montreal and one in Toulouse, France. Today, Explorer Solutions has an expanded network with additional offices in Waterloo (ON), Vancouver (BC) and Plattsburgh (NY). We specialize in alternative revenue generation for airports, aerospace investment attraction, airparks and industrial parks development, economic studies, airport management, compliance and airport planning. We also offer airport training courses and coaching.

Our expert consultants are very dedicated and provide quality professional work in line with requirements and consistently input their vision and strategic analysis to enhance the final product. We understand the challenges of smaller communities and airports, and we strive to bring solutions that will lessen the financial impact of airports on Region/County/Town budgets. Helping airports become more sustainable is part of our vision and our work objective.

The added value of our services stems from our ability to develop and deliver real solutions adapted to the reality and objectives of airports. Our work is based upon business models that are viable, enduring and profitable for our clients. We have built our reputation on the value and scope of our ideas and deliverables, as well as on the depth of our involvement.

On an annual basis, we work with more than 50 airports, most of them with runways less than 5000 feet. In Canada, these airports are located in Northern, Central and Southern Ontario, Northern, Central and Southern Quebec, as well as across Canada. Our U.S. mandates are mainly derived from Michigan, Wisconsin, Indiana and the New-England states.

These mandates covered economic impact studies, Highest and Best land use, alternate revenue sources, strategic planning, strategic positioning and marketing, origin-destination studies, business plans and business cases, business aviation profiles, in addition to air service development, airport assessment studies, land-use planning, budget preparation and forecasting, regulatory assessment, airline contract negotiation, navigation system assessment and implementation, design of approaches, economic development and investment attraction.

We are also well acquainted with major aerospace and aviation OEMs and multiple Tier 1 and Tier 2 companies in North America in addition to many others around the world. And each year, our team attends all significant airport, aviation, aerospace and defense conferences and trade shows.
3. Executive Summary

Explorer Solutions (ES) is a team of consultants that specializes in airport planning, development, sustainability and management, aerospace and aviation trends, economic studies, alternate revenue generation at airports and airport marketing/economic development. Our company is recognized for its expertise and skill sets in working with small and mid-sized airports.

In terms of unique qualifications our team is recognized in North-America for its leadership and creativity in developing alternate sources of revenue for airports. We are specialized in airport economics, air service development and airline operations, compliance and operations. Our team also groups government relations specialists, economic development leaders, airport compliance experts, airport managers and operators, marketing specialist and a complete range of expertise required to properly man and grow an airport.

NDA has been growing at a good pace with a series of new projects coming on line over the last few years. If you were to look at comparable airports, you would see that NDA was growing at a faster rate than most others, which shows leadership and strong management. Here are a few of those projects:
- Commercial flights to YTZ;
- Solar Farm development;
- Private investors for a new large GA Hangar farm;
- Negotiation and implementation of a new MRO; and
- Negotiation to obtain CATSA and CBSA services.

In terms of Achievable benchmark targets for the NDA and other opportunities such as service goals. We recommend dividing these targets into at least two (2) categories. The first category should relate to the airport maintenance and operations as it pertains to maintaining its certification, compliance and safety/security level. The second category would focus on airport development, growth strategies and future targets.

Barriers may also arise during this overall process. We envision that uncertainty and prolonged indecision at the Region’s level could develop into the main barrier as many investors will prefer to have a clear and stable leadership situation before investing at the airport. Along the same line, the absence of an airport CEO/Manager for a prolonged period creates a void in the development continuum. Capital requirements to maintain, rehabilitate and grow the airport would be another.

Looking at the Partnership or the sale of the NDA business Explorer Solutions would favor a partnership agreement with the Municipal Partners and/or Region. We suggest entering into a two (2) stage partnership agreement addressing both the short-term needs of NDA and the long-term development. The main objectives would remain to improve the competitiveness and efficiency, while maintaining public safety, security, financial obligations and offering the best possible services to the communities served by the NDA.
The Stage One agreement could last the time required (anywhere from 6 to 36 months) for the Region to finalize any decisions on the ownership and leadership of the airport. Our objective here is to ensure the airport is properly managed and pursues its development program while the decision-making process is on-going (understanding that the upcoming 2018 Municipal election may impact the timeline of this decision).

Once a decision has been made on the ownership and leadership of the airport, we suggest entering into a second stage multi-year contract (minimum five (5) years and up to 25-30 years) integrating a capital management plan and process towards attaining the full financial and operational sustainability of the airport. We understand that this second stage could be a competitive process.

On the marketing side the aviation and aerospace world showcase various types of clientele from general aviation to business aviation, aviation services companies, aerial works, air carriers (charter, cargo, commercial and regional carriers), flight training, the general public (passengers), aerospace manufacturers and non-aviation groups. As such, our marketing strategies evolve around tools and action plans tailored to each or a few clienteles together.

In terms of “important issues and topics the Municipal Partners should resolve prior to commencement of a competitive process”, we suggest the following comments:

- Determine who will be the Airport Owner and which entity will be legally responsible to enter into a contract with a private partner;
- Determine which entity is responsible and owner of the Airport Certificate (legally responsible to Transport Canada);
- Determine which entity is the owner of airport lands and the taxing authority on those lands;
- Determine to whom would a private partner report to (operational model - CAO, Airport Commission, Municipal or Region Board);
- Prepare a capital asset management plan estimating the life expectancy and rehabilitation cost of the various airport-owned buildings, equipment and infrastructure; and
- Define the funding responsibilities between the parties (we understand this topic could be part of a negotiation between the owner and the operators and the competitive bid).

Looking at the potential ownership options, Airport Ownership and Governance Best Practices have shown that there is not ONE best model. The Study demonstrated that the “people” were the main success factor. Having the right individuals to owner/operate/develop the airport is the key to success. The other main factor is tied to the availability of funds to maintain and rehabilitate infrastructure and have sufficient funds to support various development projects.

We would favor Option B as the Post-OEI Process as it provides the opportunity to meet and to consult with the Partners leaders.
4. **Respondent Information**

As one of the leading consultation groups in Canada and North-America, Explorer Solutions works with a pool of very specialized individuals and companies in the Airport management and the operations world. In response to the EOI, we are showcasing some of the staff and partners we could bring to the table to manage and drive NDA in the short and in the long term. Additional resources can be added to our team to meet the requirements of an upcoming RFP or according to discussions with NDA leaders.

4.1 **Main Respondent:**

**Christian Perreault**, MMI, BSc – Senior Partner & Managing Director  
Email: christian@explorersolutions.ca / Phone : 450-441-9055

**Respondent unique qualifications:** Christian is a recognized guest speaker at multiple airport conferences annually on the topics of: airport financial sustainability, alternate sources of revenue, airport-related economic development and aviation/aerospace investment attraction. Christian provides airport owners with down-to-earth options, business case examples, feasibility studies, investment prospectus and financial solutions. He’s also Explorer Solutions lead air service development and airline negotiations specialist.

Christian Perreault holds a Bachelor’s of Science and a Master’s degree in International Management from the University of Québec in Montreal. Christian has been involved in aerospace and airport-related economic development for over twenty years and was previously Vice-President – International Business Development for Longueuil Economic Development and CEO of the Haut-Richelieu Economic Council where he worked with 19 cities and towns. Christian took the elms of AON Explorer North American team in 2006 and became Senior Partner and owner in 2008 during the management buyout with AON.

He has extensive experience and knowledge of: land-use development on airport, alternate revenue generation, best use management, economic return on investment and financial modeling of economic projects. He is the driving force behind many aerospace, aviation, agriculture and energy-related projects at airports. He led projects such as the Canadian Aerospace Technology Road Map, the Canadian GNSS Institute, the Innovation Alliance Longueuil Technology Park, the Blueberry Airport Sustainment Initiative and Solar farm projects at various airports. Christian also led the creation of many aviation and aerospace clusters such as the Upper Michigan Green Aviation Coalition (Sawyer Airport, MI), the Unmanned Aerial System Center of Excellence (Alma Airport, QC), the Green Military Vehicle Research and Test Center (Houghton County Memorial Airport, MI) and the Canadian Center for Airport Security (Sherbrooke Airport, QC) among others.

Christian is also a recognized trainer offering Airport Familiarization Seminar and Airport Economic Development Seminars. He’s also an active member of the Aerospace Industries Association of Canada, of the Canadian Association of Defence and Security Industries and most Canadian provincial and federal along with Northern US state airport management associations.
4.2 Respondent Team

Normand Landry – Senior Consultant, Maintenance and R & D
Email: normand@explorersolutions.ca / Phone : 450-441-9055

**Respondent unique qualifications:** As an aerospace engineer and former Canadian Military, Normand has deep roots with Canadian, American and European aerospace manufacturers, the Federal Government and Aerospace Research and Development organizations. He leads Explorer Solutions aerospace/aviation cluster development at Airports and oversees the production team and all client-related deliverables.

Normand Landry is a leader and team builder, specializing in Project and Program Management, Business Planning, Business Development, Risk Management, Project Financing and government relations. He's a 28-year military veteran, with a Bachelor’s degree in Engineering from the Royal Military College of Canada, and holds a Master’s degree in Aeronautics, from Cranfield University, UK.

Normand has extensive knowledge and experience in the management of large-scale aviation programs. He has successfully managed multi-national programs over his career, both in the military and as a civilian. His experience includes technical, R&D and program partnerships with military and civilian organizations located in the United States, Australia, Finland, and Switzerland. The success of these partnerships rests clearly on his ability to bring together groups of people to work towards a common goal; recognizing the technical and project risks, and ensuring mitigation was put in place to proceed to a successful completion.

Jason Kipfer, Director of Economic Development
Email: jason@explorersolutions.ca / Phone : 226-868-4011

**Respondent unique qualifications:** Jason’s strong economic development background and expertise with investment attraction support promotion and hosting of new investors and land use development at airports.

Jason holds a double honours degree in Communication Studies and Sociology from Wilfrid Laurier University. Over the past four years, Jason played a key role in attracting foreign direct investment (FDI) to Waterloo Region through Canada’s Technology Triangle and the Waterloo Economic Development Corporation. During this time, he acted as the primary lead in successfully attracting 15 FDI opportunities to Canada resulting in the creation of 200+ immediate jobs and more than 70,000 square feet of leased commercial real estate. Within the past year, Jason supported FDI and economic development within municipalities across Canada from a private sector position. Jason’s influencer network spans the globe with key relationships with trade commissioners, ambassadors, consuls general among other levels of government, industry associations and private sector professionals.

In his early carrier, he spent more than a decade helping small to medium-sized Canadian companies with their sales and marketing strategies and access to capital needs. Jason is also called upon as a subject-matter expert to speak on FDI and investment readiness and has
presented to the Economic Development Association of Canada, Canadian Urban Manufacturing Summit, the Think Smarter: Economic Development Forum and post-secondary institutions, including the University of Waterloo, York University, Seneca College and Conestoga College.

Working in partnership with Canadian municipalities and offices of economic development, Jason has collaborated with the Consider Canada City Alliance, Global Affairs Canada, Think Canada: Global Business Summit, Ontario Technology Corridor, Ontario Food Cluster, Ontario Manufacturing Communities Alliance and the Ontario Clean Technology Alliance to facilitate bilateral trade and investment attraction to Canada.

Martin Hivon, Airport Manager – Aviation MH
Email: aviationmh@gmail.com / Phone: 418-894-7492

Respondent unique qualifications: Martin is a former Canadian military and CF-18 pilot. He was deputy and chief operating officer (Airport Manager) of Bagotville Airport and 3rd Wing CFB. When he retired from the forces, Martin pursued is Airport Management career at the Rivière-du-Loup airport, in Qc. He has been leading that airport since 2012 and opened alongside a flight training and aerobatics school. Martin has deep understanding of Transport Canada rules and regulations for certified airports. He was also awarded a few prizes for his management skills and business development leadership.

Martin is a career military officer who started as an infantry officer (reserve) with les Fusiliers du St-Laurent from 1988 to 1990. He later enrolled as a regular forces pilot with the Canadian Air Force in 1990. After completing the advanced Jet pilot course, he became a flight instructor on the CT-114 Tutor. Martin flew close to 2,000 hours on the CT-114. He also served on a seven month UN mission in Haiti before transitioning to the CF-18 as an operational fighter pilot. He achieved more than 2,000 hours on F-18s including an operational tour in Bosnia/Kosovo and an active participation in Operation Noble Eagle for the defence of Canada and North America following the events of September 11th, 2001.

Furthermore, he served more than three years on an exchange tour with the US Navy as a flight instructor on the F/A-18. Martin is qualified to fly on US aircraft carriers (USS Stennis, USS Lincoln and USS Reagan). He also served on an operational tour in Afghanistan as a senior air officer at the ISAF headquarters in Kandahar. Former Deputy Wing Operations officer at 3 Wing Bagotville for over a year and then acting Wing Operations officer also at 3 Wing Bagotville from June 2007 to June 2008. These positions are responsible amongst other things for the entire management of a major military/civilian airport that includes the 24/7/365 NORAD mission.

In 2012, he founded and became President of Aviation MH Inc. in Rivière-du-Loup, QC. The company manages and operates airports and offers various other specialized aviation services. Martin is a Class 1 aerobatic flight instructor and Class 2 flight instructor qualified in accordance with Transport Canada Standards as a chief pilot, operations manager, chief instructor and maintenance manager for a company that operates under chapters 406, 702, and 703 of the
Canadian Aviation Regulations. He has been the acting Airport director at the Rivière-du-Loup airport since October 2012.

Medals and other awards and decorations:

- Canadian Decoration (CD1, 27 years of good and loyal services);
- United Nations Medal for service in Haiti (UNMIH);
- NATO Medal for service in the former republic of Yugoslavia and Kosovo;
- Canadian Peacekeeping medal;
- Canadian Campaign Star for service in Afghanistan;
- NATO Medal for service in Afghanistan;
- Dutch Medal for service in Afghanistan;
- Queen Elizabeth II Diamond Jubilee medal; and
- Canadian Chief of the Defence Staff Commendation for service beyond the call of duty in Haiti.

Keith Saulnier – Airline and Airport Operations and Compliance Specialist
Email: keithsaulnier@gmail.com / Phone: 705-774-6799

Respondent unique qualifications: A commercial pilot with more than 5500 hours of flight time, Keith’s business acumen was developed establishing and operating a highly successful Ontario based seaplane company over the last 15 years. He is a natural “salesperson” that is quickly able to rally a cause as well as hire and motivate staff. His experience as a two-term elected official in Municipal government has taught him to be diligent about significant business decisions, risk and financial matters.

Having spent nearly 30 years in the aviation industry, Keith is very familiar with operations of small charter companies. His flying experience extends coast to coast within Canada, the US and the Caribbean. Keith is a graduate of the Aviation Flight Management program at Confederation College.

In Keith’s role as a Town Councillor he conceived the Business Stimulus Plan and Team to oversee and to strategize the much needed growth and development of the Town of Parry Sound in population, industrial and commercial sectors. Some of his appointments have included: Industrial Park Board, Planning Board, Committee of Adjustment, Regional Economic and Development Committee, Parry Sound Area Chamber of Commerce, Youth Action Committee, Belvedere Home for the Aged, Park to Park Trails.
Nicole Saulnier – Airline and Airport Operations and Compliance Specialist, Marketing Strategist
Email: s.nicolesaulnier@gmail.com / Phone: 705-773-8716

Respondent unique qualifications: Winner of the Elsie McGill (Women in aviation) Northern Lights Award, Nicole is a commercial pilot with more than 3000 hours of flight time. She was Chief Pilot and co-owner of Georgian Bay Airways and Operations Manager of the company airbase. Owning and operating a successful seaplane company for 15 years has developed Nicole’s management, human resources, government liaison, and leadership expertise. Nicole is recognized in the flying industry for her thoroughness, ingenuity, tenacity, and attention to detail.

Nicole is a graduate of Confederation College’s Aviation Flight Management program. She also holds a diploma in Advertising from Georgian College. As a business coach, Nicole works with entrepreneurs to develop marketing strategies and their online presence. She mentors start-ups through Futurpreneur with the creation and implementation of their business plans and marketing strategies. Nicole has an extensive background volunteering as a director on numerous boards including the Business Retention and Expansion Committee, Chamber of Commerce and Regional Tourism Organization 12. Though this experience, she has been helping to lead these associations through the challenging technological and social media landscapes.
5. **NDA Assessment and Opportunities**

Our team would like to provide the following comments, views and ideas as they relate to each of the listed topics:

a. The general assessment of the NDA

Without having access to either the airport financial statement or having sat down with the airport team to discuss operations, compliance, management and funding the following comments are based on what we have seen over the last few years and how the airport is generally perceived in the airport community.

The airport seems to be operated in a matter that meets Transport Canada rule and regulation. We know that the former Airport Manager (CEO) has put a lot of effort into developing both aviation-related sources of revenue along with non-aviation. Our team was privileged to have been retained a number of times to conduct various studies as they related to both the development of airside and groundside lands along with the attraction of private sector investors to support hangar development.

We have not evaluated the present staff at the airport, but past experiences of key employees lead us to believe that Mr. O’Conner has hired and was building a team of experienced professionals.

The Airport has been growing at a good pace with a series of new projects coming on line over the last few years. If you were to look at comparable airports, you would see that NDA was growing at a faster rate than most others, which shows leadership and strong management. Here are a few of those projects:
- Commercial flights to YTZ;
- Solar Farm development;
- Private investors for a new large GA Hangar farm;
- Negotiation and implementation of a new MRO; and
- Negotiation to obtain CATSA and CBSA services.

b. Achievable benchmark targets for the NDA and other opportunities such as service goals.

These targets should be divided into at least two (2) categories. The first category should relate to the airport maintenance and operations as it pertains to maintaining its certification, compliance and safety/security level. As such, benchmarking targets should be related to:
- Number of non-compliance identified by Transport Canada and meeting TP-312 standards;
- Status of the Airport Operations Manual (AOM) and Security Management System (SMS);
- Reporting of events and corrective action plan;
- Review of standard operating procedures (SOP) for fuel management, winter
maintenance, wildlife management and security plan (Quality Assurance);
- Maintenance of NavAids, approaches and Obstacle limitations; and
- Overall Financial sustainability.

In terms of the airport development and future targets, if we pursue on the vision and strategies developed over the last few years, the following could be achievable targets:
- Evaluate the necessity to maintain three (3) runways (potential closure of one runway) to reduce maintenance and rehabilitation cost;
- Pursue growth of the number of commercial air service Canadian destinations to/from YSN working with Greater Toronto Airways and/or other carriers;
- Pursue development to obtain trans-border commercial air services to/from New-York City or another destination (this action will require obtaining CATSA and CBSA services);
- Further developed marketing activities to:
  o Raise the number of passengers on commercial flights;
  o Attract more business aviation aircraft; and
  o Develop tourism packages to attract aircraft owners.
- Further develop non-aviation sources of revenues by making the most of airside and groundside lands (Highest and Best Land Use approach).

c. Key barriers to achieving greater success at the NDA

Again with the knowledge we have today of the airport, we envision the following situations/elements as obstacles/barriers to a greater success of the Airport:
- First and foremost the uncertainty created by the pending decision by the Region and Municipal Partners on the future ownership and leadership model/structure;
- Along the same line, the absence of an airport CEO/Manager for a prolonged period creates a void in the development continuum. As such some prospects and on-going projects may fall aside or move to another location;
- Capital requirements to maintain and rehabilitate airport infrastructure must be planned and budgeted;
- Capital requirements to expand the terminal to host larger aircraft and passenger volumes;
- Capital requirements to extend Runway 06/24 by 1,000 feet (not an obligation, but the current length limits types of aircraft both on the business jet side and on the commercial air service); and
- Runway 06/24 extension may entail a non-compliance of taxiway C (Charlie) as the airport will have to comply with TP-312 5th edition.

d. How a Partnership or the sale of the NDA business would result in more efficient operations at the NDA and what goals the Respondents might establish for achievable results.
As stated further down, Explorer Solutions would favor a partnership agreement to manage and to develop the airport. As such the avenues suggested below are tied to this approach:

In terms of “More efficient Operations”, we believe that by working with a group like ours, NDA leaders would obtain:
- Access to a wider pool of seasoned airport professionals able to address any shortcomings and issues;
- A team that has experience in Capital Project Development and Management;
- A strong Commercial Development team that is involved on a permanent basis with airside and grounds side development projects;
- Operational Readiness and Transition capabilities;
- Environmental Management and Sustainability and Risk Management expertise;
- Airport and Air Service Marketing capabilities.

In terms of “Goals for achievable results”, here are a few examples of goals:
- Work in close partnership with other regional entities like the Tourism Office, Economic Development, Planning and Urban Development, Public Works, Media and Communications;
- Ensure a balanced annual budget;
- Work to increase airport revenues to cover for both operations and capital requirements costs and expenses;
- Raise the volume of passengers by X% annually;
- Raise the number of flights and/or business jets landing at the airport;
- Maintain runway friction level to X within X minutes of a weather event; and
- Maintain airport compliance rate at X% on a permanent basis.

Many other goals and/or objectives can be integrated in the Airport Master Plan and/or a separate strategic plan guiding the long-term development of the Airport. This plan also provides the Airport Owner with an annual base of reference to evaluate how the airport operator is meeting the goals.

e. Types of marketing efforts the Respondent would use to promote the NDA

In the aviation and aerospace world there are various types of clientele to reach from general aviation to business aviation, aviation services companies, aerial works, air carriers (charter, cargo, commercial and regional carriers), flight training, the general public (passengers), aerospace manufacturers and non-aviation groups. As such, our marketing strategies evolve around tools and action plans tailored to each or a few clienteles together.

For each clientele, a series of events and trade shows, magazines, web-based tools, associations, clusters, mailing lists are accessible. Our team would initially review or develop a marketing plan matching the goals and objectives of the Airport Master Plan.
An initial step would be to review the tools already present (website, brochures, existing marketing campaign, email lists, social media presence, app downloads, e-presence). The marketing plan can also be focused on either a larger (broader) outreach campaign versus more tailored, targeted and specific activities. Here are a few examples:

**Example 1:** For the Development of GA hangars
In this case, the targeted clientele are aircraft owners and pilots who could have an interest in locating their aircraft at NDA. The marketing campaign could thus encompass and not be limited to:

- A survey to general aviation aircraft owners in southern Ontario and western NYS to identify prospective hangar owners or tenants;
- Posting of the GA Hangars development project more prominently on the NDA website and email blast plus social media;
- Preparation of a publicity leaflet to be given to transient aircraft landing at NDA and at GA aviation events NDA would attend;
- The electronic version of the leaflet can be emailed to aircraft owners in southern Ontario and western NYS;
- A Press Conference to announce the launch of the project;
- Organize a FAM (Familiarization) Tour to show case the project and the airport; and
- Incentives to choose NDA over another airport i.e. A1 year membership or club card with value-adds such as a fuel discount or special privileges.

**Example 2:** Growing the number of passengers on commercial flights out of NDA
In this case, the targeted clientele could be the general public or businesses located in the NDA catchment area. The marketing campaign could encompass and not be limited to:

- Development of a slogan (example for a flight to Toronto: Don’t be stuck in traffic, look down on it);
- Billboard advertising;
- Radio and newspapers advertising;
- Give conferences at various community events (Chamber of commerce);
- Advertising on the airport website, create a list of followers, post information and pictures to create a dynamic environment;
- Launch a ticket presale or a corporate pass campaign to ensure long-term sustainability;
- Use Region or Municipal newsletters to residents to add messaging/publicity on flights;
- Create a contest and give away a few tickets.

**Example 3:** Attract non-aviation tenants to the airport groundside
After defining the targeted clientele (manufacturers, energy companies, agro-food, professional offices, innovation centres, call centres, data storage facilities).

In this case, the activities will vary according to the type of targeted clientele. As an example, if we are trying to develop a new aerospace business park, the targeted clientele would be aerospace manufacturers.
The outreach and the marketing campaign would take the form of an economic development investment attraction campaign.

The proposed activities could include, but not be limited to:

- A detailed presentation and a SWOT profile of the Municipalities and the Region in terms of demographic, labor availability, academic programs, R&D activities, aerospace supply chain, tourism, quality of life and taxation;
- Incentive policy and program;
- PowerPoint presentation of the proposed aerospace business park including infrastructure, access, public transit and costing;
- A detailed presentation of the airport;
- Prepare list of targeted companies;
- Launch outreach campaign – validation of expansion and relocation projects per company;
- Meetings with companies (Trade and/or commercial mission);
- Host private visits and a possible FAM Tour;
- Attend aerospace industry events with a prescheduled list of meetings with targeted companies;
- Showcase the Aerospace Business Park development projects on the Airport Website along on the Niagara Region Economic Development Department (NREDD) website;
- Add social media web pages for the projects; and
- Work in collaboration with the NREDD.

f. The feasibility and potential challenges of executing an Agreement about transition issues once an Agreement is executed.

- Our firm would like to suggest working on a two-stage agreement with stage one lasting the time required for the Region to finalize any decision on the ownership and leadership of the airport. Our objective here is to ensure the airport is properly management and pursues its development program, while the decision-making process is on-going. Understanding that the upcoming 2018 Municipal election may impact the timeline of this decision.

- The second stage would entail a multi-year contract integrating a capital management plan and process towards attaining the full financial and operational sustainability of the airport.
6. Minimum Qualifications

We are providing below a series of qualifications, tasks, responsibilities that an experienced Airport Management person or team should have.

**Airport Operations Expertise and Qualifications**
- Airport Management skills and past experience;
- Detailed Knowledge of Transport Canada TP-312th 4 and 5th edition by staff that will operate the airport;
- Experience with the delivery of a Safety Management System plan and quality assurance process and audits;
- Management of winter operations and winter maintenance plan;
- Management of Wild Life issues and development of a Wild Life Plan;
- Management of Airport Security, quality assurance and development of an airport security plan;
- Experience with leases, tenants and contract/lease management;
- Experience with Fuel management and SOP (Standard Operating Agreement); and
- Management of NavAids, approaches and Obstacle Limitation Surfaces.

**Airport Administration**
- Management of Human Resources;
- Infrastructure management;
- Planning, budgeting and procurement;
- Experience with assets and equipment management;
- Reporting to board of directors and/or CAO or Council;
- Management of Engineering projects; and
- Compliance with the Accessibility Act.

**Airport Development**
- Airlines attraction, negotiation and management expertise;
- Economic development and investment attraction expertise;
- Alternate sources of revenue development and management;
- Raising funding (private/public) for development projects and infrastructure rehabilitation;
- Real estate expertise; and
- Marketing skills and expertise.

**Management of conflicts of interest**
In terms of conflicts of interest, we recommend that the Municipal Partners verify the notion of competing airports as this will create issues in terms of attracting airlines and both aviation and non-aviation tenants. The notion of competing airports could be based on the following criteria:
- Proximity of the airport(s) to NDA;
- Type of airport;
- Type of activities taking place at that airport;
- Future development projects at NDA; and
- Type of management contract with NDA and other airports.
7. Agreement Framework

Our preferred relationship with the Municipal Partners would be to enter (as previously mentioned) into a two (2) stage partnership agreement addressing both the short-term needs of NDA and the long-term development. The main objectives remain to improve the competitiveness and efficiency, while maintaining public safety, security, financial obligations and the interest to serving the best possible services to the communities served by the NDA.

The Stage One agreement could last the time required (anywhere from 6 to 36 months) for the Region to finalize any decisions on the ownership and leadership of the airport. Our objective here is to ensure the airport is properly managed and pursues its development program while the decision-making process is on-going (understanding that the upcoming 2018 Municipal election may impact the timeline of this decision). At this time, we see this first stage has a sole-source mandate designed to provide interim qualified services.

Once a decision has been made on the ownership and leadership of the airport, we suggest entering into a second stage multi-year contract (minimum five (5) years and up to 25-30 years) integrating a capital management plan and process towards attaining the full financial and operational sustainability of the airport. We understand that this second stage could be a competitive process.

A long-term contract opens the door to having the Airport Management Company carries part or all of the financing for developing and rehabilitating airport infrastructure and equipment. Our team has a good understanding of the NDA day-to-day operations and airport development projects as we were closely involved in structuring and moving forward some of these projects like the solar farm, the General Aviation Hangar Farm project and the air service.

We have been making airports better for more than 20 years and know what it takes to make an airport successful. Our strength comes from our people and our comprehensive product suite, enabling us to create tailored solutions for our clients.

In terms of “important issues and topics the Municipal Partners should resolve prior to commencement of a competitive process”, we suggest the following comments:

- Determine who will be the Airport Owner and which entity will be legally responsible to enter into a contract with a private partner;
- Determine which entity is responsible and owner of the Airport Certificate (legally responsible to Transport Canada);
- Determine which entity is the owner of airport lands and the taxing authority on those lands;
- Determine to whom would a private partner report to (operational model - CAO, Airport Commission, Municipal or Region Board);
- Prepare a capital asset management plan estimating the life expectancy and rehabilitation cost of the various airport-owned buildings, equipment and infrastructure; and
- Define the funding responsibilities between the parties (we understand this topic could be part of a negotiation between the owner and the operators and the competitive bid).

As requested in this EOI process, please see below a few comments on each of the potential options. Please keep in mind that Airport Ownership and Governance Best Practices have shown that there is not ONE best model. The Study demonstrated the “people” were the main success factor. Having the right individuals to owner/operate/develop the airport is the key to success. The other main factor is tied to the availability of funds to maintain and rehabilitate infrastructure and have sufficient funds to support various development projects.

7.1 Transfer to the Region of Niagara

This model makes sense as NDA caters to the entire region and not just to the three (3) Municipal Partners. Airport has to be viewed as a business in itself and be operated with the required latitude.

We would again recommend the partners look at the AMRF concept previously introduced as a way of enticing the region or any of the municipal partners to invest at the airport.

7.2 Partnership with the Region of Niagara

This option has the advantage of spreading the financial responsibilities on four (4) partners instead of three (3) thus reducing every municipality exposure and liability. It also provides for extra funding capacity and more political support when funding request is presented to highest levels of government. We would again recommend the partners look at the AMRF concept previously introduced as a way of enticing the municipal partners to invest at the airport.

7.3 Partnership with the Private Sector

This model is very much feasible. Potentially, this model is the most interesting one from our perspective. The private partner would require a long-term engagement to support capital investment and be able to generate a decent return on investment. We have previously described our vision and our role in a similar model.

7.4 Sale of the Airport to the Private Sector

An airport is a public infrastructure that services a large community and multiple types of activities. We believe NDA plays a crucial role in the region economy and should not be sold to the private sector.
8. **Post-EOI Process**

Our preferred option would be a sole sourced contract for the proposed stage 1 approach. Looking further ahead our team would favor Option B.

**Option B – Issuance of an RFP, shortlisting of RFP Respondents, a consultation stage involving each short-listed respondent regarding the form of the Agreement, and a bid stage.**

We truly favor Option B as it provides the opportunity to meet and to consult with the Partners leaders. Such a meeting would enable both parties to better understand the views and objectives of each other, discuss management guidelines and procedures, development projects, funding requirements and others and set the stage for final bid stage.

Again, we believe that the schedule should be tied to a final decision by the Region on its involvement as the owner or co-owner of the NDA. A six (6) to nine (9) months delay may be required by the Region to get the procurement process up and running, negotiated and finalized for this Airport Management contract. Thus our recommendation to the Partners to move forward with a two stage process.

**Management of conflicts of interest**

In terms of conflicts of interest, we recommend that the Municipal Partners verify the notion of competing airports as this will create issues in terms of attracting airlines and both aviation and non-aviation tenants. The notion of competing airports could be based on the following criteria:

- Proximity of the airport(s) to NDA;
- Type of airport;
- Type of activities taking place at that airport;
- Future development projects at NDA; and
- Type of management contract with NDA and other airports.

9. **Other Factors**

We would like to raise the following concept to the Municipal Partners. We have been down this path with a few other airports with the vision of helping airports to become self-sustaining in terms of capital asset management.

**Creation of an Airport Maintenance and Rehabilitation Fund (AMRF)**

Such a fund establishes a tax-sharing mechanism where a portion of the “new” taxes raised by the development at the airport would support its funding, rehabilitation and operations.

**AMRF Principles**

1. Airports require large capital investment and a capital management plan (Reserve Fund) supporting long-term runway and infrastructure rehabilitation costs;
2- Developing and leveraging land use for revenue generation can help general aviation airports become more sustainable;

3- Reinvesting taxes into the airport to support infrastructure rehabilitation and development can have a multiplier effect;

4- The AMRF is based on the capture of portions of future property taxes. The AMRF would apply exclusively to taxes levied on new buildings generated by the attraction of new tenants and investments to the airport. (similar to Tax Increment Financing);

5- Proposed tax-sharing model will be applied to new constructions only and not to existing buildings; and

6- Airports are part of the economic lifeline of a community, a growth asset and should be considered as an economic development tool that benefits the entire community.

Capital Management Plan
As part of the overall Capital Management Plan, the Partners could look at leasing or subcontracting Airport Equipment. This option can be integrated in the scope of services to be provided by a future airport operator.

Alternate Sources of Revenue (Aviation and Non-Aviation)
Part of Explorer Solutions vision is to look at the Airport as a full economic platform; where revenues can be generated from both aviation and non-aviation activities. Our team has been involved in numerous projects from using airport lands for high value agriculture, to developing of office towers, industrial parks, retail and commerce, industry incubators, Research and Technology projects, parking and shuttle services, air cargo, general aviation, aircraft maintenance and Air Shows.

Working on Alternate Sources of Revenue is an Economic Development approaches where projects need to be identified, validated and a business case/plan put to together. Investors need to be attracted and investment attraction policies put in place.
10. Confidentiality

Explorer Solutions undertakes to consider and to treat strictly confidential all information that will be communicated to it as such by the Client and Contracting Authority in the scope of executing the present Contract, particularly manufacturing or business secrets, industrial, commercial or financial specifications relating directly or indirectly to the Client in regards to the services covered in the proposal.

We shall, as a result, refrain throughout the duration of the present Contract, and without limitation in duration after its termination, for whatever reason, unless the above-mentioned information comes into common knowledge, from divulging the said information, in whatever form, for any reason and to any person whatsoever.

We shall make all efforts in relation to the Client and Contracting Authority of the services to ensure fulfilment of these confidential undertakings by the members of its personnel who will be involved with the Client in performance of the present contract.

All parties shall make all efforts to protect each other’s Intellectual Property, which may be disclosed to each other directly, or indirectly, as a result of work performed under this contract.

11. Signature

For Explorer Solutions,


Christian Perreault  
Senior Partner  
Date: January 23th, 2018