



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:

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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.

Issue Date of EOI	December 19, 2017
Deadline for Questions	January 9th, 2018
Deadline for Addenda	January 16th, 2018 @ [4:00:00 PM] local time
Submission Deadline	January 23rd, 2018 @ 2:00 pm local time

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 Resort.

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/>

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 hangars 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 hAVGAS 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 potential 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.

Signature of Witness

Signature of Respondent
Representative

Name of Witness

Name of Respondent Representative

Title of Respondent Representative

Date



COURTESY LABEL

From:

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