



Report: PDL-AIR-16-04

Region of Waterloo
Planning, Development and Legislative Services
Region of Waterloo International Airport
Office of Economic Development

To: Chair Tom Galloway and Members of the Planning and Works Committee

Date: February 23, 2016 **File Code:** T18-80

Subject: **Region of Waterloo International Airport – Proposed New 2016 Master Plan/Business Plan**

Recommendation:

That the Regional Municipality of Waterloo take the following actions with respect to the completion of a new Master Plan for the Region of Waterloo International Airport (ROWIA), as described in Report No. PDL-AIR-16-04, dated February 23, 2016:

- a) Establish an updated ROWIA Master Plan Steering Committee, including the appointment of the Chair of Planning and Works Committee, the Chair of Administration and Finance Committee, the Regional Council representative to the Aeronautical Noise Advisory Committee; and a local Council representative from each of the Cities of Cambridge, Kitchener, and Waterloo, and the Township of Woolwich, with additional members as described in this report;
- b) Increase the existing purchase order with WSP Canada (formerly MMM Group) by \$100,000 to complete the draft Master Plan; and,
- c) Direct the ROWIA Committee to undertake the following public engagement initiatives:
 - i. Hold a minimum of two public consultation sessions in the spring and fall of 2016 to update the public on the status of the ROWIA Master Plan and to seek input on options for the future of the ROWIA;
 - ii. Use the Region of Waterloo's new online consultation portal to present information and seek feedback from the community at large;

- iii. Consult with the ROWIA Business Advisory Committee and the Waterloo Region Economic Development Corporation.

Summary:

The Region of Waterloo International Airport (ROWIA) is a key feature in the Region's infrastructure and economic landscape contributing \$86M to the Region's economy in 2013. With over 1000 acres of land, the ROWIA is home to over 250 private and charter aircraft, 25 businesses, and over 300 employees. In 2015, the ROWIA was identified as one of the top 20 busiest airports in Canada, and home to one of the leading flight training schools in the country, the Waterloo Wellington Flight Centre. The ROWIA experienced another record year in 2015 with almost 154,000 passengers travelling through the terminal building.

Increasing commercial passenger service, charter service, and developing the Hangar Campus and East Side Employment Lands remains a priority at the ROWIA. A large part of the recent passenger growth can be attributed to the expanded service offered by WestJet and Sunwing Airlines. Charter services have also experienced increased growth at the ROWIA. In April 2015, the Chartright Air Group purchased a new hangar at the ROWIA and announced its new service for corporate jet charters. With continued growth in air service, it is important that a new ROWIA Master Plan (Master Plan) and supporting Business Plan be developed to guide the future of the ROWIA over the next 20 years.

Region of Waterloo Council initiated the development of a new ROWIA Master Plan in December, 2012. A Master Plan Project Team (Project Team) was established with Council and staff representatives from the Region of Waterloo, the Cities of Cambridge and Waterloo, the Township of Woolwich, and the Grand River Conservation Authority to begin the process of developing a draft Master Plan for the future development of the ROWIA. The Project Team was supported by WSP Canada (formerly MMM Group) to assist with the consultation, assessment, and development of recommendations for the Master Plan.

To inform the development of the Master Plan, three stakeholder meetings were undertaken in July and August of 2013 with area businesses, aviation associations, airlines using the ROWIA, and other levels of government to examine potential options that could be considered as part of the Master Plan. Two public consultation sessions were held in 2014 to obtain input from the community on future options for ROWIA over the next 20 years.

In 2014, Regional Council provided interim direction to staff to optimize the existing capacity of the ROWIA; attract new air service; build out the ROWIA Business Park; protect for future growth; increase community awareness about noise mitigation measures; and develop the ROWIA in conjunction with the adjacent East Side Employment Lands.

In September 2015, recommendations from the Region of Waterloo Service Review were adopted by Regional Council. As part of the KPMG Service Review, optimization of the ROWIA's commercial value was identified as one of five opportunities regarding implementation (please see report CAO-IAU-15-06/A32-40/RSR).

To initiate the completion of the Master Plan, staff is recommending an updated Steering Committee be established to guide the completion of the draft ROWIA Master Plan and Business Plan. The Steering Committee would include: the Chair of the Planning and Works Committee; Chair of the Administration and Finance Committee; the Regional Council representative to the Aeronautical Noise Advisory Committee; and a local Council representative from the Cities of Cambridge, Kitchener, and Waterloo, and the Township of Woolwich. The Steering Committee would be chaired by the Commissioner of Planning, Development, and Legislative Services and also include the Commissioner of Transportation and Engineering Services, the Commissioner of Corporate Services/Chief Financial Officer, the Director of Corporate Communications, and the General Manager of the ROWIA. Additional staff from the Region of Waterloo and Area Municipalities would serve as a resource to the Steering Committee.

Staff also recommends the Steering Committee consult with the ROWIA Business Advisory Council and Waterloo Region Economic Development Corporation. Regional staff will oversee at least two public consultation sessions that would occur in the spring and fall of 2016. These sessions would be used to provide an update on the status of the Master Plan and Business Plan and present a preferred Master Plan approach. These comments would be incorporated into the Master Plan and Business Plan and brought forward to Regional Council for consideration by the end of 2016.

Report:

Background

The ROWIA is a key feature in the Region's infrastructure and economic landscape. In 2013, the ROWIA contributed over \$86M to the Region's economy. With over 1000 acres of land, the ROWIA is home to over 250 private and charter aircraft, 25 businesses, and over 300 employees. In 2015, the ROWIA was identified as one the top 20 busiest airports in Canada, and home to one of the leading flight training schools in the country, the Waterloo Wellington Flight Centre.

Existing passenger service in 2015 reached record levels, with almost 154,000 passengers travelling through the ROWIA terminal building. A large part of this growth can be attributed to the expanded service offered by WestJet and Sunwing Airlines. American Eagle also continues to offer its daily non-stop flight to Chicago. Charter services have also experienced increased growth at the ROWIA. In April 2015, the Chartright Air Group purchased a new hangar at the ROWIA and announced its new service for corporate jet charters. The ROWIA also continues to serve as a convenient option for area businesses

needing access to global markets. ROWIA Business Advisory Committee members and local companies such as Toyota, Blackberry, ATS, and Sun Life Financial continue to use the ROWIA as the preferred option for supporting its business operations.

The ROWIA also experiences other shifts in business needs from the companies it services. Recently, Baffinland decided it will be relocating local operations to Nolinor's headquarters at Montréal–Mirabel International Airport (Mirabel) and will leave the ROWIA at the end of February. Baffinland operates a large iron ore mine on Baffin Island and uses Nolinor to move employees and freight on a weekly basis to this remote location. Given declining iron ore prices, the need for additional cost reductions, and better logistics at Mirabel, Baffinland has made this business decision.

The ROWIA has also implemented a number of mitigation measures to effectively manage community impacts. The ROWIA has worked with airlines to adjust departures and arrivals to reduce the impact of aircraft noise on the surrounding community. Regional staff is available by phone or in person to discuss individual concerns. Signage around the ROWIA has also been increased to inform the public on how to communicate noise concerns originating from the ROWIA. This includes the ROWIA website, which now allows the public to submit a noise complaint to ROWIA staff. The Region of Waterloo also continues to benefit from the Aeronautical Noise Advisory Committee, which examines noise impacts from the ROWIA on the community and responds to individual concerns.

The previous ROWIA Master Plan was completed in 2000 and supplemented with a five-year business plan, which was adopted by Council in 2009. As use of the existing infrastructure at the ROWIA continued to increase, Regional Council initiated the development of a new ROWIA Master Plan in late 2012 to guide the growth of the ROWIA over the next 20 years.

The completion of the ROWIA Master Plan was further supported by Regional Council in October 2015, as part of the recommendation from the KPMG Service. Regional Council adopted the following recommendation:

“That the Regional Municipality of Waterloo direct staff to complete the Airport Master Plan and associated Business Plan by the end of 2016, which would include recommendations regarding increasing revenue, managing operational and capital expenses and a net levy target for airport management to budget against to control operating and capital expenditures;

And that following completion of the Master Plan/Business Plan, Regional Council consider whether it wish to explore additional private sector involvement in Airport operations and activities.”

Airport Master Plan Overview

The master planning process is a tool used by most airports across the country to

anticipate, and plan for, future airport development including maximizing existing infrastructure and managing increased air service. Transport Canada requires a Master Plan for the 26 federally owned airports in Canada. The remaining airports, including the ROWIA, do not require a Master Plan, but are recommended to have one in place to protect for future growth. It is also considered a best practice in the aviation industry, especially for those airports that have scheduled service with airlines. The purpose of this Master Plan is to guide the future of the ROWIA over the next 20 years. In the case of ROWIA, the Master Plan will include elements that address the following:

- Commercial Carrier Service – Explore opportunities to support existing carrier service at the ROWIA and anticipate future community need;
- Development of the Hangar Campus and East Side Employment Lands – Further examine the creation of employment opportunities through the development of leased lands for aviation and aerospace related industrial and commercial undertaking. In the northwest corner of the ROWIA, there is an opportunity to commercialize thirty-five acres of land, which would complement the future development of the East Side Employment Lands;
- Business Plan – Develop an associated Business Plan to link the Master Plan with an efficient and effective financial plan, and address the recommendations from the Service Review;
- Support for Business – To ensure current and future demand from area businesses are being met, identify opportunities to align the future of the ROWIA with future needs of emerging sectors in Waterloo Region; and
- Changes in the Aviation Industry – The ever changing nature of the aviation industry will affect the future growth of the ROWIA. Currently, Toronto Pearson International Airport is reviewing its existing capacity and future growth demands. As part of that review, neighbouring airports including the ROWIA are being considered as potential options for spill-over service.

ROWIA Master Plan Work Completed to Date

To inform the development of the Master Plan, three stakeholder meetings were undertaken in July and August of 2013 with business, aviation associations, airlines using the ROWIA, and other levels of government to examine potential options that could be considered as part of the Master Plan.

On February 6 and April 1, 2014, two public consultation sessions were held at the Waterloo Region Museum in Kitchener. The consultation sessions were advertised in local media outlets, in local Chamber of Commerce bulletins, and on the Region of Waterloo website. Presentation materials were also posted on the Region's website and the public was given an opportunity to provide input directly to Project Team members. Approximately 350 people attended the two public consultation sessions and 186 written comments were received.

Following the consultation sessions, the following direction was provided by Regional Council on June 25, 2014:

“That the Regional Municipality of Waterloo take the following action with respect to the preparation of a draft Master Plan for the Region of Waterloo International Airport:

- a) Endorse the recommendation of the Airport Master Plan Project Team to complete a draft Master Plan for the Airport on the basis of maximizing the existing capacity of the Airport as described in Report E-14-087 dated June 17th, 2014;
- b) Include a strategy within the draft Master Plan for continuing the pursuit of additional passenger air service opportunities which will maximize the existing capacity of the Airport terminal building and associated Airport infrastructure as described in Report E-14-087 dated June 17th, 2014;
- c) Incorporate a strategy for the attraction of additional businesses that may establish aeronautics or aviation-related undertakings within the thirty-five (35) acre leased land development area located in the northwest corner of the Airport;
- d) Coordinate, where possible, the resources and strategies required for new air service development and new business attraction at the Airport with the Region’s broader economic development initiatives, including the development of the East Side Employment Lands to the south of the Airport;
- e) Direct Airport staff and the Master Plan Project Team to take the following additional matters into consideration in the preparation of a draft Master Plan for the Airport:
 - (i) In consultation with the Aeronautical Noise Management Committee, consider additional opportunities for both increasing awareness concerning aeronautical noise and its mitigation;
 - (ii) Prepare a 2015-2024 Capital Plan for the Airport to reflect the plan for maximization of the existing Airport infrastructure as set out in Report E-14-087 dated June 17th, 2014;
 - (iv) Include a review of the Airport Master Plan, once approved, at regular intervals or upon the operations of the Airport achieving the passenger and financial objectives set out in Report E-14-087 dated June 17th, and
 - (v) Undertake an evaluation of any further actions, such as federal zoning protections or designation of airport reserve lands, that may be recommended to ensure opportunities for future growth are preserved; attracting new air service; building out the ROWIA business park; protecting for future growth; improving community interaction; and working to develop the adjacent Easter Side Lands.

In September 2015, Region staff provided an update on progress towards each of the Council directives (please see Appendix 1 – Progress Report Card). Given the progress achieved on these directives and with the benefit of the Service Review findings, in October 2015, Regional Council directed staff to proceed with completing the Master Plan.

Proposed Next Steps

The Master Plan must address the recommendations from the Regional Service Review and involve additional public consultation. To oversee the process, an updated Steering Committee should be established to guide the completion of the plan and ensure representation from the appropriate area municipalities (please see Appendix 2 – List of Proposed Updated Steering Committee members). Regional staff would need to amend its existing purchase order with MMM Group to reflect its acquisition by WSP Canada. Approximately 10% of the work has yet to be completed by WSP Canada under the existing purchase order. The project scope will need to be updated to reflect the work required to complete the Master Plan by the end of 2016. The amendment to the purchase order would also include an increase of up to \$100,000 to cover additional expenses relating to finalizing the Master Plan.

Regional staff should hold at least two public consultation sessions as part of the Master Plan development process. The first session would be held in the spring of 2016 to update the community on the status of the Master Plan and share information regarding recent developments at the ROWIA. The second session would be held in the fall of 2016 to present a preferred Master Plan approach. To ensure the Master Plan is aligned with the future needs of the business community, Regional staff would also consult with the ROWIA Business Advisory Committee and the Waterloo Region Economic Development Corporation. This will include receiving input from key sectors in Waterloo Region such as the local Tech sector that has approximately 35,000 employees.

In addition to public consultation sessions, newer electronic platforms can be used to engage the community. Information can be posted on the Region of Waterloo's new online consultation tool. This tool allows registered users to post comments in online discussion forms or send feedback directly to staff. It also includes a ranking feature and an opportunity for questions and answers. The public at large would also be able view all of the documentation without registering and can call Regional staff directly if they have further questions.

Working with WSP Canada, Regional staff would incorporate the input from the public consultation sessions and work towards finalizing a draft report for Council consideration by the end of 2016.

Corporate Strategic Plan:

The completion of the ROWIA Master Plan directly supports Strategic Objective 1.1.3 of the Corporate Strategic Plan – “Develop a Master Plan and associated Business Plan that guides the growth and development of the Region of Waterloo International Airport to provide a full-service, customer friendly facility which supports commercial, corporate and general aviation.”

Financial Implications:

The 2014 ROWIA Capital Budget included \$165,000 to complete the Master Plan. Prior to Regional Council providing interim direction to staff, approximately 90% of the work had been completed. In 2016, the ROWIA has allotted an additional \$100,000 in its Capital Budget for the Master Plan which is funded from Regional Development Charges (\$90,000, 90%) and the Airport Capital Reserve Fund (\$10,000, 10%), which is expected to be sufficient to complete the remainder of the project, as described in this report.

Other Department Consultations/Concurrence:

Nil.

Attachments:

Appendix 1 – ROWIA 2015 Progress Report

Appendix 2 – Proposed (Updated) Steering Committee Members

Prepared By: Matthew Chandy, Manager, Regional Economic Development

Approved By: Rob Horne, Commissioner, Planning, Development and Legislative Services

Appendix 1 - ROWIA 2015 Progress Report

ROWIA - Progress Report Card

Regional Council Direction (June 2014 - Report E-14-087)		CURRENT STATUS		
Item	Description	Pending	In Progress	Completed
A	Maximize the existing capacity of the Airport		√	
	• WestJet adds 18% to Calgary Service = 16,780 additional seats (Feb 2015)			√
B	Attract additional passenger service to maximize the capacity of the existing Air Terminal Building		√	
	• WestJet Announcement Seasonal Orlando Service (July 2015)			√
C	Attract aviation related businesses to the Airport Aviation Business Park Development		√	
	• Chartright Air Group (Apr 2015)			√
	• NAV CANADA Break Ground on New Control Tower (June 2015)			√



Progress Report Card Continued

Regional Council Direction (June 2014 - Report E-14-087)		CURRENT STATUS		
Item	Description	Pending	In Progress	Completed
D	Co-ordinate resources and strategies required for air service development and business attraction with the Regions broader economic development plans - including the East Side Lands		√	
	• YKF Economic Impact Awareness Campaign & Increased Public Consultation			√
	• Update 2013 Economic Impact Study (April 2016)		√	
E	Consider additional opportunities to increase awareness concerning aeronautical noise and its mitigation			√
	• Restructured Aeronautical Noise Advisory Committee (Dec 2014)			√
	• Website Content Updated to Better Inform the Community			√
	• Installation of New Signs in Subdivisions Located in Proximity			√

Progress Report Card Continued

Regional Council Direction (June 2014 - Report E-14-087)		CURRENT STATUS		
Item	Description	Pending	In Progress	Completed
F	Prepare a 2015-2024 Airport Capital Plan to reflect the plan for maximizing the existing Airport infrastructure			√
	• Airport Capital Plan Completed (Feb 2015)			√
G	Review of the Airport Master Plan, once approved, at regular intervals or upon the Airport achieving passenger and financial objectives	√		
H	Evaluate further actions, such as Federal zoning protections or designation of reserve lands to ensure opportunities for future growth	√		



Appendix 2 – Proposed (Updated) Steering Committee Membership

Commissioner, Planning, Development and Legislative Services (Chair)
Chair of Planning and Works Committee
Chair of Administration and Finance Committee
Regional Council representative to the Aeronautical Noise Advisory Committee

Local Council representative from each of the Cities of Cambridge, Kitchener, and the Township of Woolwich

Commissioner, Transportation and Engineering Services
Commissioner, Corporate Services/Chief Financial Officer
Director, Corporate Communications

General Manager, Region of Waterloo International Airport

Support to the Steering Committee

Manager, Economic Development, Region of Waterloo – as required
Region of Waterloo staff – as required
Area Municipal Planning and Economic Development Staff – as required