



Haliburton / Stanhope Municipal Airport



Business Vision



Presentation Objectives

- Understand **Second Foundation**
- Options and Issues
- Proposed Next Steps

May 2007

Agenda – Monday May 7, 2007

- 1. Opening of Council Meeting**
Angie Bird, Clerk – Planning Administrator

- 2. Opening Remarks –**
 - **Eleanor Harrison, Reeve, Township of Algonquin Highlands**

- 3. Presentation –**
Business Vision – Haliburton Stanhope Airport

- 4. Remarks –**
 - **Murray Fearrey, Warden, County of Haliburton**

 - **Barry Devolin, MPP - Haliburton – Kawartha Lakes – Brock**

- 5. Luncheon**



Presentation – Business Vision

1. Introductions

- John Packer – Airport Manager
- Jim Scott – Transportation Resource Planner
- Keith Beard – Management Consultant

2. Progressive Council

3. Haliburton Stanhope Airport Phase Plan

4. Stalled at Phase 2

5. Issues for Discussion – Addressing the issues

6. Economic Engines for rural communities

7. “Are we doing the right thing?”

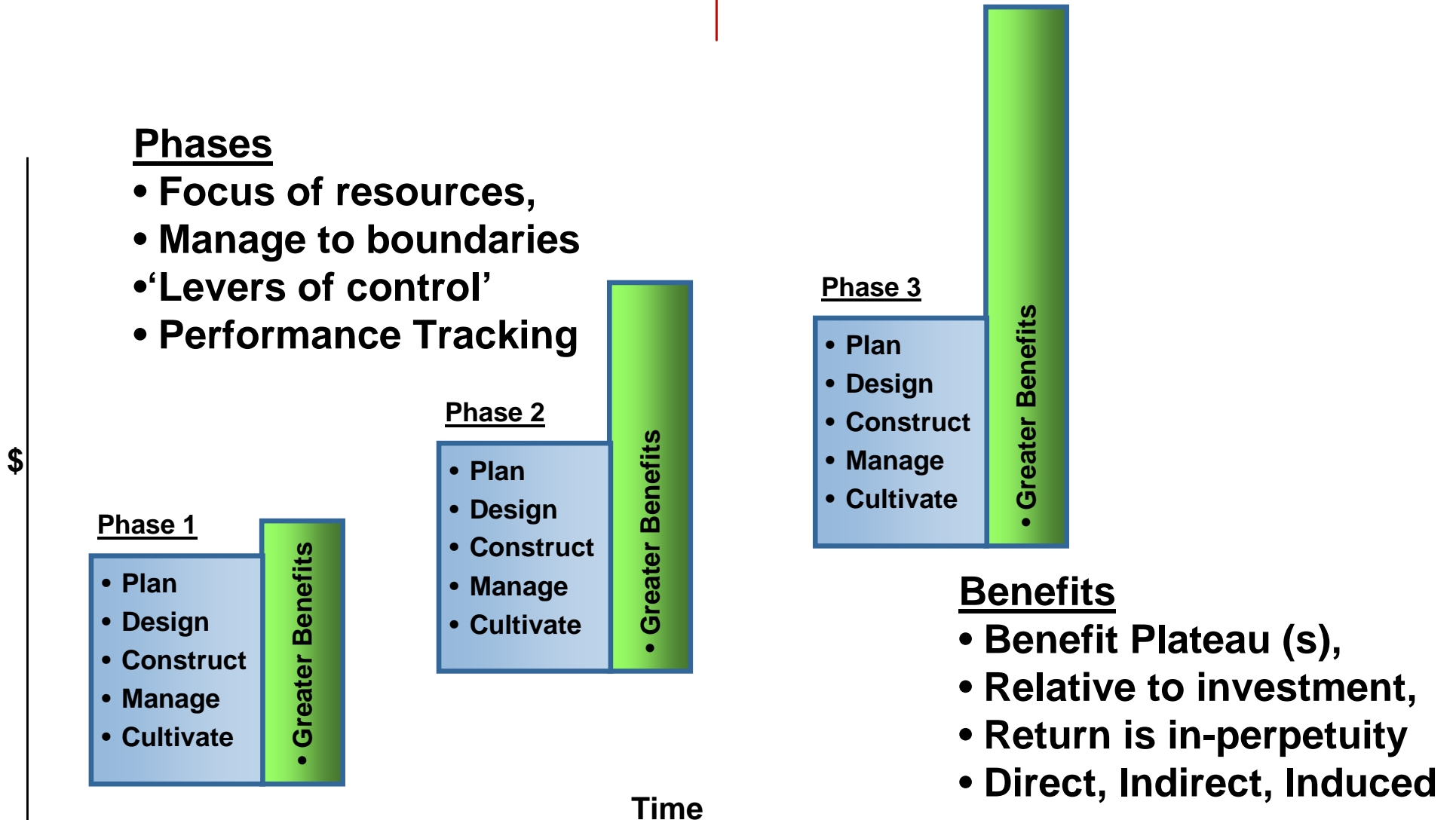
8. Financials, Next Steps, Close



2.0 Progressive Council

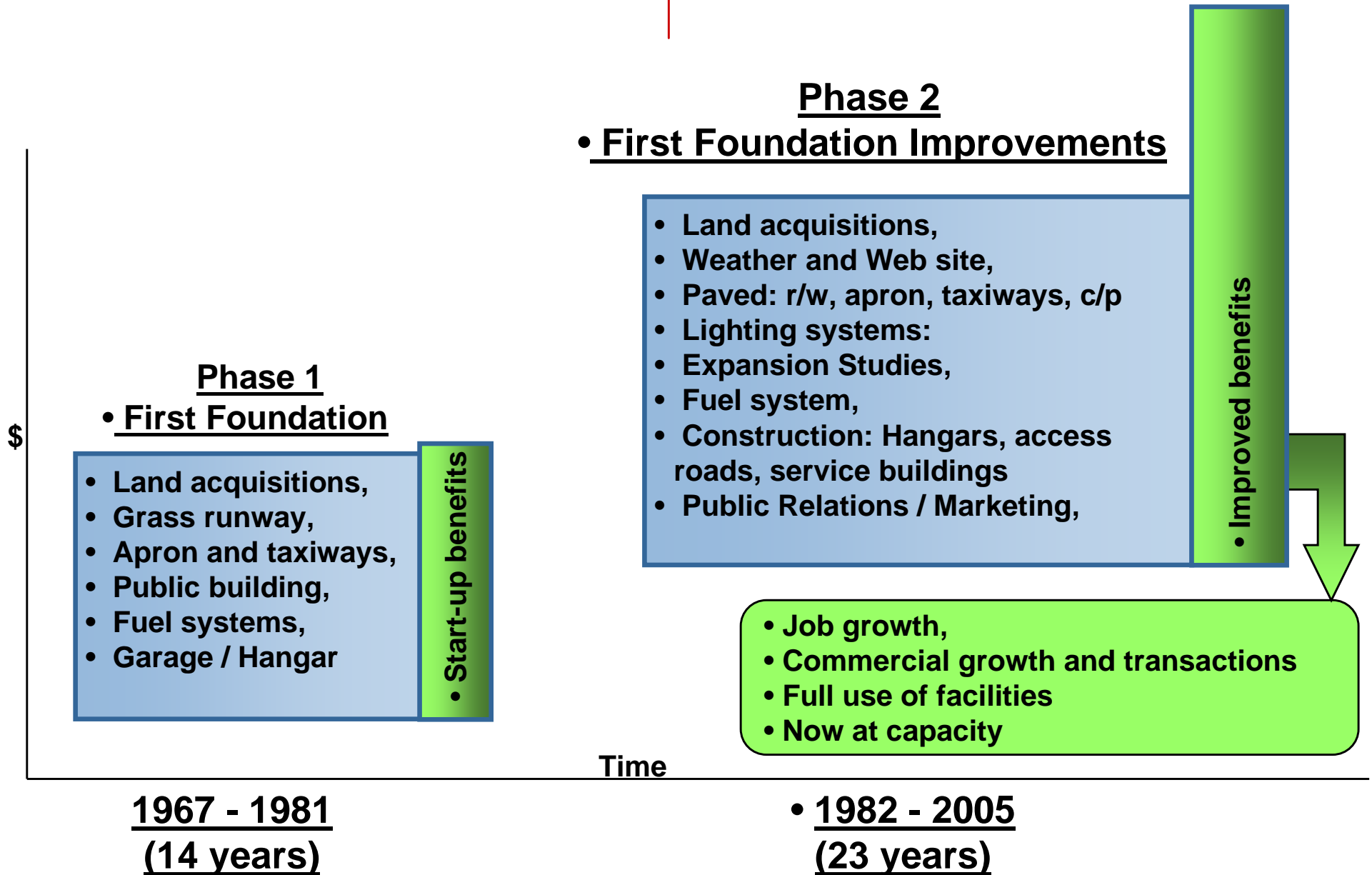
- Land acquisitions of the past,
- Numerous studies,
- Public statements of support,
- Continuous energy forward,
- Committee / resources assigned,
- Community's interest foremost,
- Operational investment and support.

3.1 Haliburton / Stanhope Airport Phase Plan



- 5 Phases for Haliburton / Stanhope – out to 2025

3.2 Haliburton / Stanhope Airport Phase Plan



3.3 Haliburton Airport Phase Plan

Phase 3 – ‘Second Foundation’

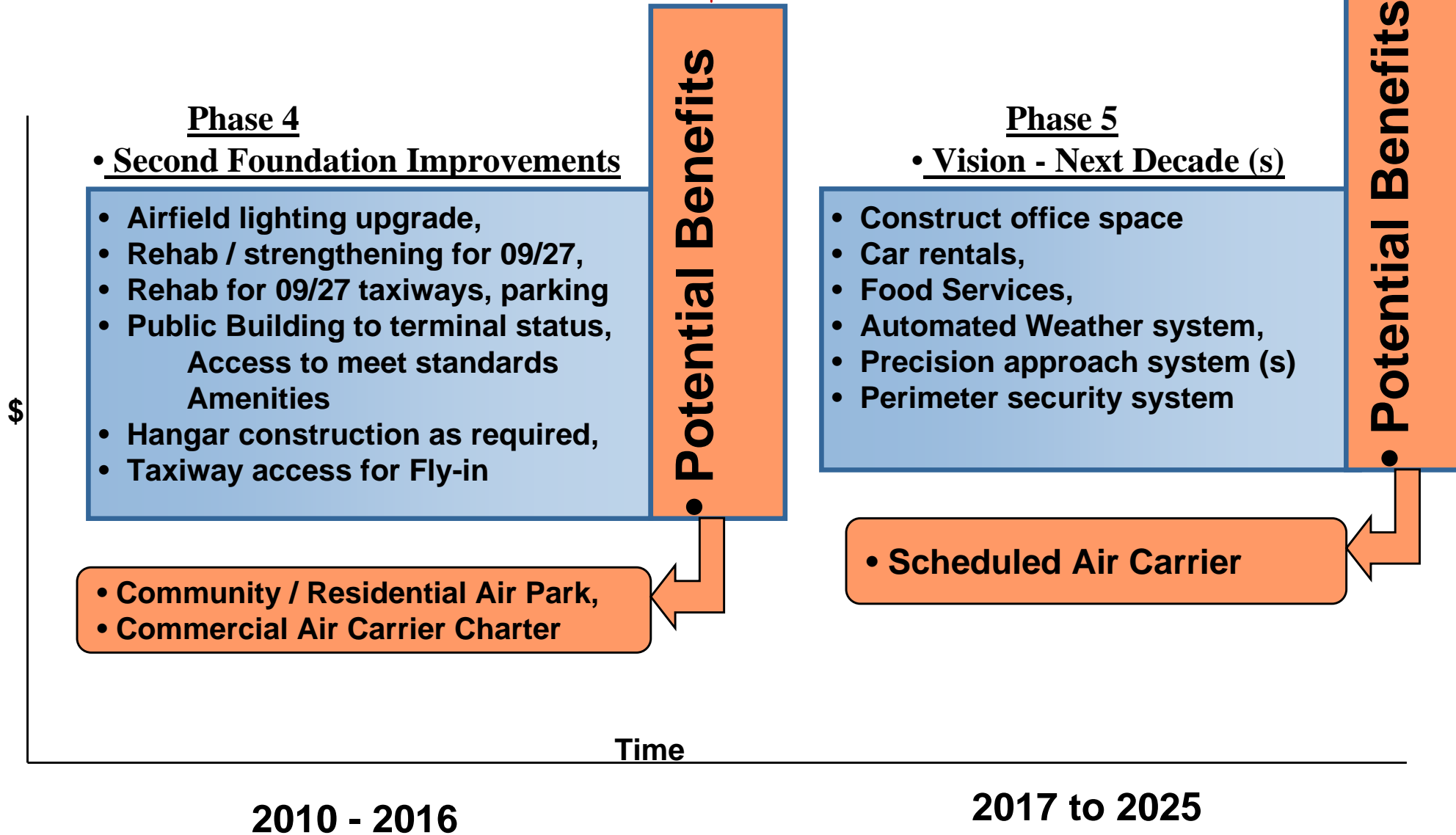
- Land acquisition (s),
- Engineering Design,
- New 4000' 16/34 (cross wind) Runway construction,
- Expansion of Aircraft parking and apron area,
- Installation of GPS IFR approach,
- Lighting for runway environment,
- Commercial development – hangars, structures

See: Benefits Not Available

Time

2006 - 2009

3.4 Haliburton Airport Phase Plan



4.1 Current situation – Stalled at Phase 2 (at capacity)

Maximized current use,

- Small Gen. Aviation, MNR, Medivac, some heli, other Ministries
- Services: Fuel, A/C Maint. , fly-ins, limited Flight School options
- 5 to 25 direct job growth framework,

No more land available,

- Sold, leased, build, hangars, small business,

Max'ed out on aircraft size,

- Restricted to STOL / G/A aircraft,

No Weather options – No MVFR / IFR

- Detrimental to commerce, and residents,

Runway undersized for crosswind operations,

4.2 Current Phase 2 – Benefits Not Available:

- ❑ **50 – 100 employee manufacturing business,**
 - **Business partner in a Supply Chain – JIT,**
- ❑ **Participation in Air Freight**
 - **40% of world trade – key economic measure**
- ❑ **‘Expert’ centric employers:**
 - **Call Centre, Health Care specialty, Knowledge centric, Component Mfr.**
- ❑ **“High profile” personalities – known investors,**
- ❑ **Competing for major events:**
 - **Conferences, sports tournaments / community events**
 - **Air Shows / Snowbirds**
- ❑ **Tenant and operation expansion,**
 - **Fly-in Community – Air-Park**
- ❑ **VLJ category jets – deliveries have started**

Impact of VLJ's

- 6 pax twin jets, made possible through:
 - Composite construction,
 - Small jet engine technology ~1000lbs thrust
- Well established manufacturers,
 - Eclipse 500, Cessna Mustang, Adams A700, Spectrum 33, Javelin
 - Canadian participation: Pratt & Whitney, Diamond,
- Strong order backlogs,
 - Eclipse 2400+, many are air operators,
- Predictions abound – 3,400 - 5,000 in the air by 2012,
- New era - the air taxi of our time,
 - Ticket prices to be in Business class range,
- Answer to the Hub and Spoke burdens,
 - VLJ's to use “un-crowded suburban airports”,
 - GPSS nav makes point to point possible,
 - WAAS SAT makes 250' minimum's possible.



Haliburton Stanhope Airport - Economic Impact

Economic Impact Study – March 2006 for 2005

- Applied Regression Analysis tool,
 - Used throughout Ontario,
 - Apply known statistics to produce results,
 - Employment: Direct, Indirect, Induced,
 - Gross Revenues: Direct, Indirect, Induced,
- Current Situation
 - Estimated supplying 46 person years employment annually,
 - Generated \$4.1m for the Provincial economy annually,
- ‘Second Foundation’ estimation
 - Between 133 and 163 person years employment annually,
 - Between \$12.1m to \$14.8m Provincial economy annually,

5.1 Issues for Discussion

Some Property Owners opposed to expansion,

- Respect /acknowledge all points of view,

- Leave things the way they are,
- Bigger must be bad,
- Environment Concerns
 - 2 surveys – April 2005, April 2006
- Council Use of Funds
 - Self sufficient / dependence
- Noise

- 
- **Expansion means Change**
 - **Implications to Environment**

- Our responsibility to Property Owners:

- Ensure clarity on facts – be informed on points of view,

5.2 Addressing the Issues

Expansion means Change – Implications to Environment

- No scientific evidence supporting environmental / societal decline,
 - Compliance page 25 of Business Vision Report,
 - Both surveys lack fundamentals of credibility,
- Airport growth measured in decades – long lead times,
- Decision: Differing principles versus greater economic good,

Council Use of Funds

- Few “Economic Engines” available to small communities,
- Airport is an economic engine – likely achievable over others,
- Funding partners / grants are available – strong business metrics,

Noise

- Prevailing runway will remain highest use, but less used,
- Noise footprint largely unchanged, compliant with 28 NEF,
- Noisiest airplanes are already here,
- 16/34 approaches / departures over sparsely settled lands,

“Environmental” Studies

- Council fully supports U-Links Centre - Trent University
 - Excellent program – Research in Human Geography,
 - Experience positive with good students,
 - Open to future initiatives – with caution
- April 2005 and April 2006 Studies
 - 2 students and 1 student respectively,
 - Required to complete a course,
 - Intended to “look at some potential problems”, “raise awareness”
 - No formal method claimed or found, no credentials previous work,
 - No mention of Sciences / Laboratory, measurements, only observation
 - For observations: No procedure / data, raw interpretation / conclusions
 - No authentication by experts, no Academics, no Fellows
 - List of US and Canadian Library references
 - Results are two brief reports,
 - Examined for: method, structure, science, objectivity, discovery

My Findings and Conclusions

- April 12, 2005
 - 17 pages; Watershed, Vegetation, Wildlife, Deicing Fluid, Soil Flow Rate
 - Jumps from observations to assertions, unfounded conclusions,
 - Data source unknown - factual errors many places,
 - Moose, forest, clear cutting, topography, drainage, de-ice,
 - Noise section; conjecture, conflicting,
 - De-icing section seems as fiction,
 - No recommendations, few conclusions, fewer alternatives
- April 2006
 - Data source – mailed survey;
 - catch area 568 residents, received 78, 13% response,
 - 23 questions, multiple choice – circle or tick box,
 - Questions largely structured to the negative: “will disrupt”, etc
 - Answer template also structured to a negative response – still balanced in #'s
 - Survey seeks public opinion, reports as facts,
 - Errors in fact; aviation, noise, proximity, economy
 - Major reference material is:
 - Major Commercial Airport Location 1969, (USA) and
 - Highway expansion report for New Jersey,
- My Conclusions – buyer beware
 1. Lacks the attributes of a serious work,
 2. Statistically – few oppose expansion

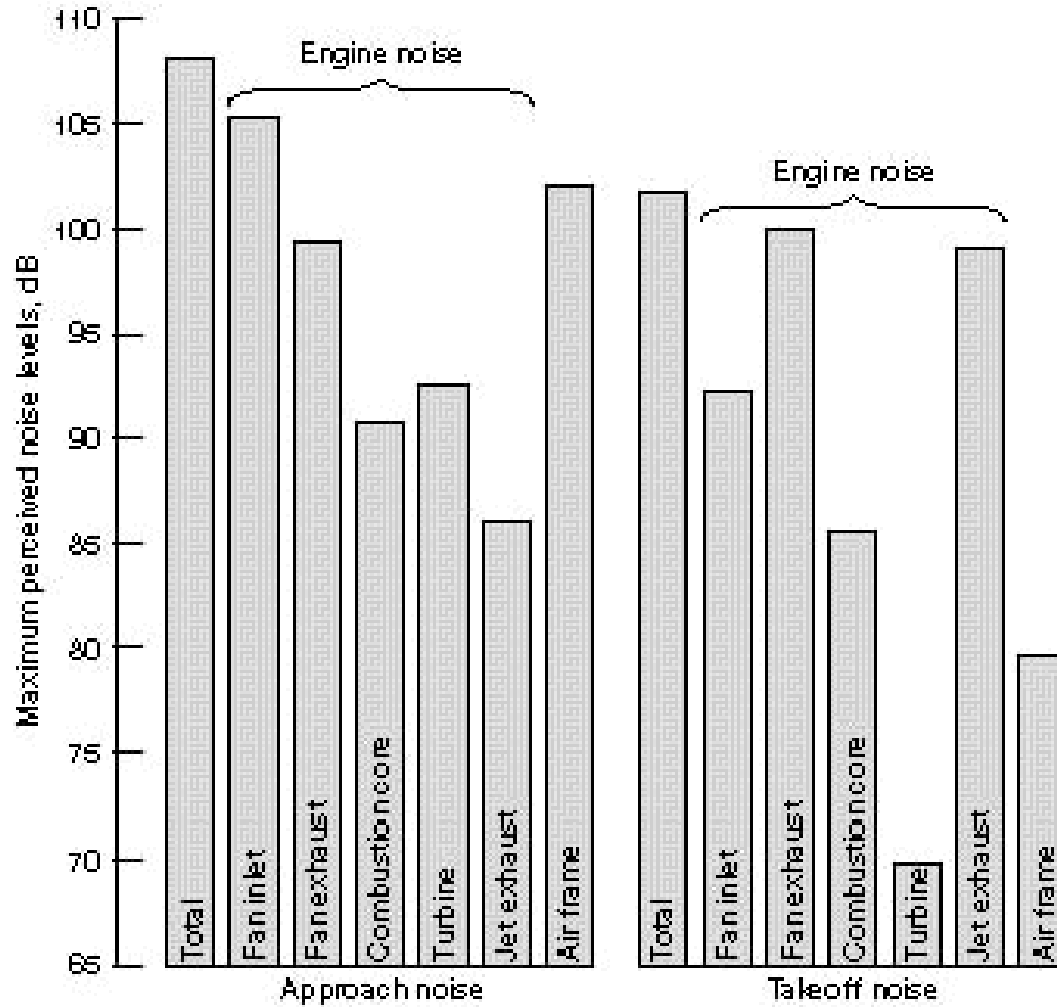
Science and Engineering Facts: Noise

- Noise: “unwanted sound”:
 - Noise comprised of 4 characteristics, expressed in decibels (dBA)
 - The listener has 7 emotional variables, 6 physical variables,
 - Community consensus on noise is impossible.
- Effects of any noise limited to:
 - Annoyance,
 - Interruption of Speech,
 - Interruption of Sleep,
 - Hearing damage.
- Aviation noise has:
 - Minimal effect on animals,
 - Negligible effect on real estate values,
- No scientific evidence to support:
 - Serious health claims,
 - Aviation noise different from other noise,
 - Community has any risk of hearing loss,
 - Low freq. noise from A/C causes structural damage,

Aviation Noise Facts

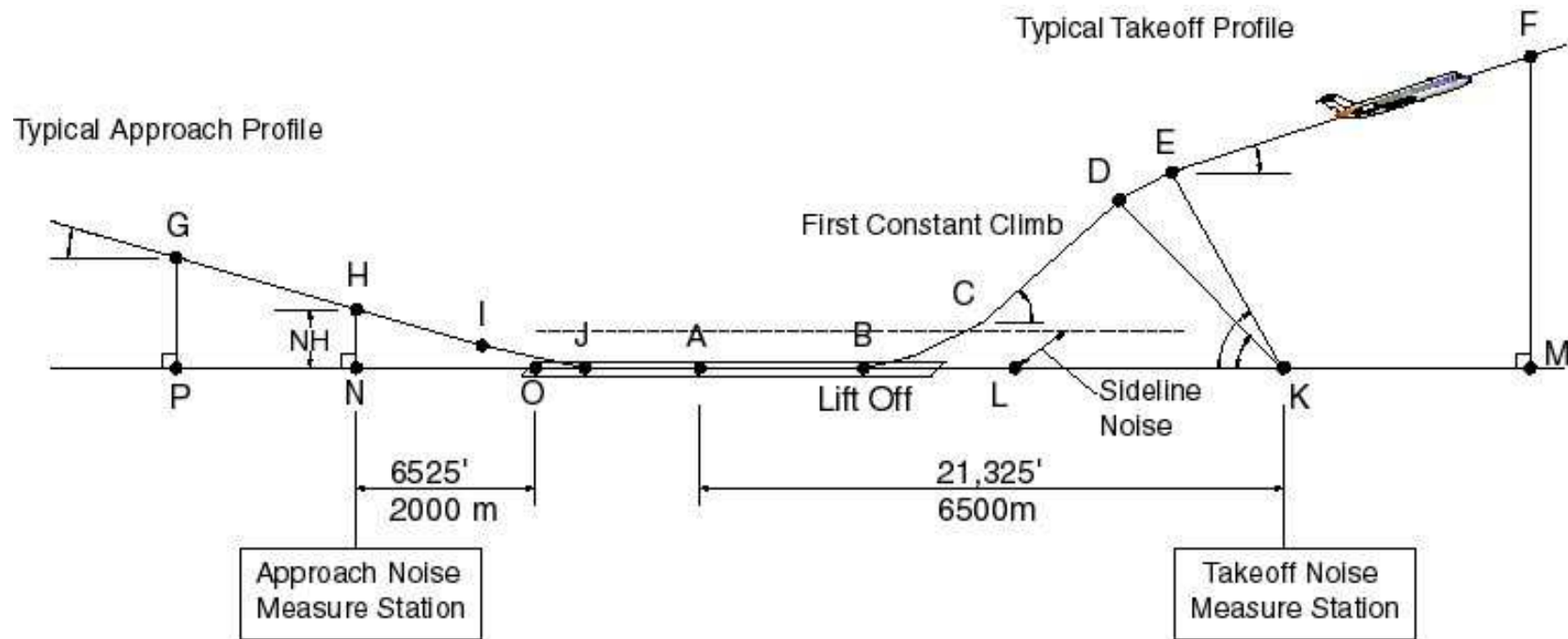
- Noise of a jet has three major sources:
 - Fan Inlet – Cowling at front of engine cover,
 - Engine exhaust,
 - Airframe
- A/C Noise reduction:
 - Actively started to address issues in 1960's,
 - Science - under continuous study, host of engineering improvements,
 - ICAO - Legalized Dec 1, 1969, many amendments since,
 - Stage 1 and 2 phased out Jan 1, 2000,
 - Stage 3 – 5 times quieter than Stage 2,
 - Stage 4 adapted in 2005, for Jan 1, 2006,
 - VLJ's to meet or exceed Stage 4 criteria,
 - Significantly quieter than current piston planes,
 - Extensive noise abatement techniques / procedures available,
- Test three phases: flyover, lateral, approach

Source of Aircraft Noise



Tested in three phases

Noise Measurement Points for Aircraft Noise Certification:

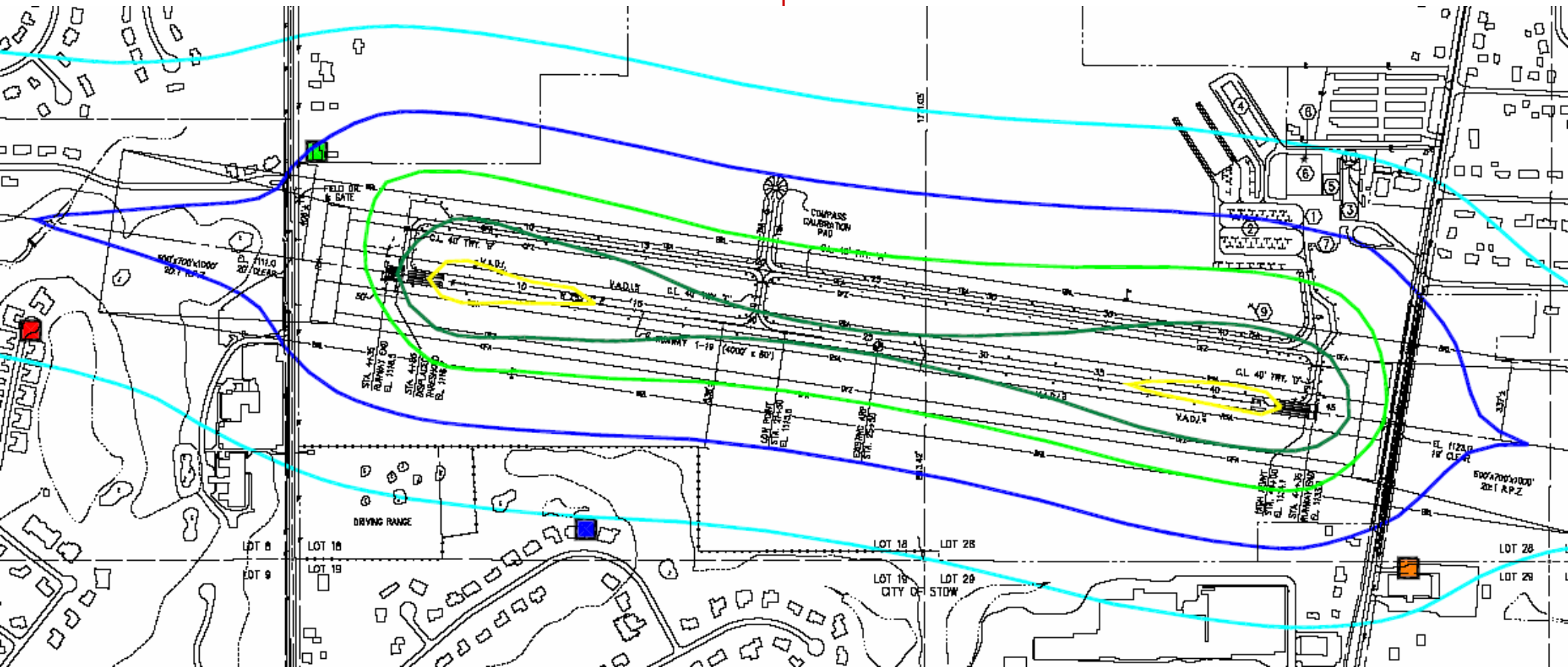


Defined in FAA Far Part 36 Appendix A

Airport Contours – NEF Accepted method

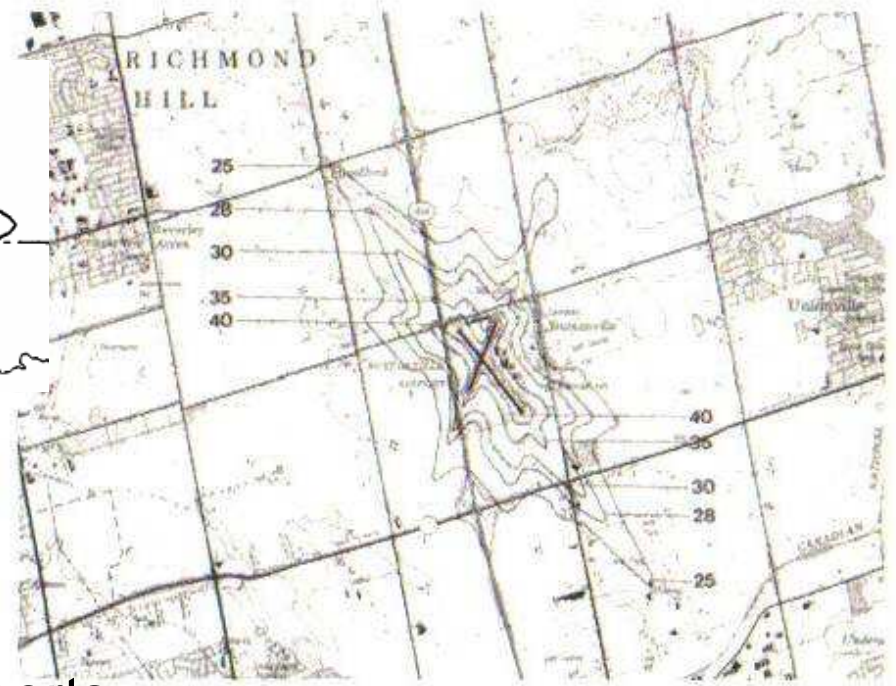
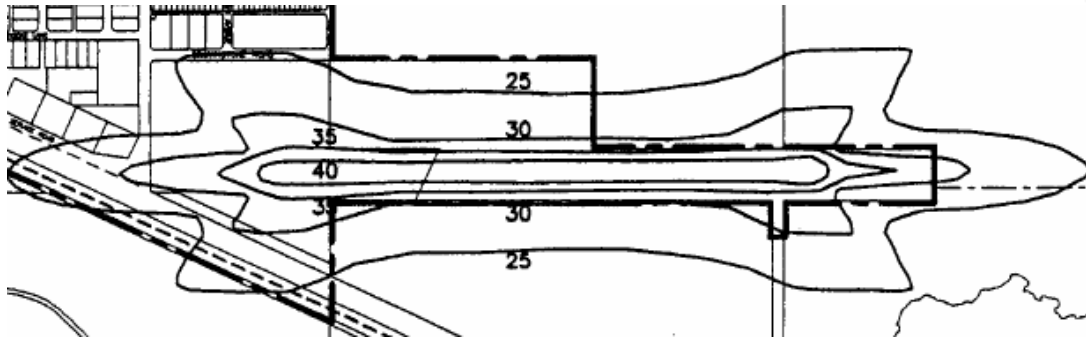
- Many ways to measure sound: dBA, SEL, EPNL, Leq, DNL, NA, NEF, PNL
- NEF used successfully internationally for over 40 years,
- ‘Noise Exposure Forecast’ (NEF) = value 40, 35, 30, 28, 25
 - NEF = single event metric (EPNL) measured over 24 hours + penalties,
 - Measure the sound at many points around airport and surrounding lands,
 - Data reflect the A/C types using the airport plus ground operations,
 - Computer generated – TC, DND, expert companies,
 - Produces a visual ‘footprint’ image surrounding an airport,
 - NEF establishes land use / compatibility with airports,
 - NEF Value: predicts annoyance calls from public,
 - 30 NEF – sporadic complaints possible, <30 NEF complaints unlikely,
 - Residential, Mobile homes, – below 65dBA DNL, <30 NEF
 - Schools, Hospitals, Nursing, Churches, concert halls – <70dBA DNL, <30 NEF
 - Golf, amusement parks, livestock – 75dBA DNL, <35 NEF
 - Wholesale, utilities, manufacturing – 85dBA DNL, <35 NEF
 - Fishing, Mining, Transportation – 85+dBA DNL, >40 NEF
- Canadian urban airports mandated to <30 NEF,
 - Transport Canada amended Pickering to 25 NEF Feb 2005,
 - CYTZ also at 25 NEF - some others mandated to 28 NEF,
 - Atlantic airports at <35 NEF,

4000' NEF Contours



- Kent State University
- 40 NEF, 35 NEF, 30 NEF, 28 NEF

28 NEF For Stanhope Haliburton



- Using contour from similar municipal airports,
- New runway compliant to 28 NEF Provincial Guideline
 - Conclude no complaint calls with cause,
 - Noise exceeding 30 NEF within boundary of airport lands,
- One known structure within 16/34 approach / departure,
 - 200m south of 34 approach, 100m west – outside of 25 NEF contour,
 - No known structures northwest, shoreline starts @ 300m – outside 25 NEF,
- Negligible impact to community,

Typical dBA's Everyday items to A/C

NEF	dBA	
25	32	• Room quiet dwelling midnight,
30	53	• Large store Clothing Dept.
-	55	• Window A/C,
35	60	• Conversational speech,
-	65	• Busy restaurant,
-	68	• Eclipse VLJ approach tests,
-	69	• Vacuum in residence,
-	79	• Stage 4 twin departure,
40	80	• Ringing alarm clock - 2',
-	88	• Stage 4 twin arrival,
-	89	• Stage 3 twin departure,
-	92	• Heavy city traffic,
-	92	• Heavy diesel truck – 25',
-	92	• Cessna 185 takeoff,
-	98	• Home lawn mover,
-	98	• Stage 3 twin arrival,
-	98	• Turbine condenser,
-	100	• Air compressor,
-	107	• Air Hammer,
-	115	• Stage 1 jet overhead
-	130	• Chainsaw

• Sleep interference threshold at 72 dBA,

• Speech interruption at 75 dBA,

• Beginning of hearing damage prolonged exposure >85 dBA.

Conclude: 16/34 noise has negligible impact to Community

6.1 Economic Engines for Rural Comm.

Self sufficient business model,

- Unique value proposition,
- Exclusivity,

High visibility / personal appeal:

- Little need for selling, marketing, awareness,
- Inherent high demand – demand creation reduced,

Measured in:

- Total spending greater context,
- Jobs created and spun-off and spin-off,
- Personal income generated.

6.2 Economic Engines for Rural Comm.

Examples:

- Research Facilities / Universities,
- Technology Industrial clusters,
- National Parks,
- Manufacturing plant,
- Casino,
- Airports,
 - Creates its own economy,
 - Spin-off about 5 to 1,
 - Essential to attract other EE's,
 - Inherently connects / opens to other communities.

6.3 Economic Engines for Rural Communities

- Iowa State University
- Study of Rural Communities - 1999
 - Studied both successes and failures,
 - Some communities decline, others grow,
 - Some fail to no fault of leaders,
- 7 types of rural communities
 - Based on their economic type:

6.4 Types of Rural Communities

1. Rural Retirement centric,
 - Caters to retirement lifestyle – Elliot Lake
2. Rural Trade centric,
 - Commercial transactions – little residence,
 - Presence of mall, banking
 - Single business towns, mills, mining, farming
3. Government branch centric
 - Military bases, prison, smaller ministries
4. Recreation centric
 - Close to Park / battlefield / waterfall / activity
5. Exurban Rural
 - Commuting distance to major centre
6. Academic Rural
 - Noted education facility dominates
7. Entrepreneurial Town
 - Mix of small businesses

7.1 Are we doing the right thing?

7.0 Entrepreneurial Town - Strategies

- Attract new business,
 - i.e. off-site data processing, manufacturing operations and/or warehousing operations
- Offer retention and expansion programs,
- Seed capital programs,
- ‘Get started’ incentives,

Haliburton County targeted Industry Sectors

- “Light manufacturing, forestry, tourism, service industries”

“transportation infrastructures (such as highways and ***airports***) are essential for community well-being and economic development” – USDA Rural Studies 2001

Airports Vital to Regional Growth

- USA DOT business researcher John Kasarda - 2006,
- "Airports will shape business location and urban development in current era"
 - Seaports did in the 18th century
 - Railroads in the 19th
 - Highways did in the 20th
- The three "A's" - will replace the three "L's"
 - "accessibility, accessibility, accessibility" ("location, location, location")
 - Companies are increasingly reliant on air transportation to move people and goods quickly in a global economy,
- Commercial and residential centers radiate from airports
 - Conference centers, hotels, music, shopping malls, office space, wineries, art galleries, housing
 - In many cases, airports are assuming the traditional role of downtowns
 - Act as functional center of urban life,



7.2 Doing the right thing – Haliburton Stanhope Airport – Strategic Driver to Economic Development

- Environmentally friendly,
 - Continues well-being of natural environment,
- Airport Poised for growth,
 - Latent demand from many sources,
 - Expressions of interest from developer (s),
- Recognized airport not fully utilized as a valued asset,
- Promotes economic growth,
 - Cost benefit ratio 3.18 to 3.90 each dollar of spend,
- Continues high quality of life for area residents,
- Integral component of sustainable environment,
- Contributes year around, most weather,
- Attracts stable, diversified, clean, industry,
- Gateway for growth potential – VIP / Malibu North,

8.1 Business Vision - Financial Snapshot

<u>Description</u>	<u>2006-2009</u>	<u>2010-2016</u>	<u>2017-2026</u>
Cash Flow – in	\$5.3m	\$5.3	\$5.9
Cash Flow – C/O	\$5.2m	\$5.3	\$5.4
<u>(Capital Cost)</u>	<u>\$3.9m</u>	<u>\$2.0</u>	<u>0</u>
Accum. C\$ Flow	\$0.1m	\$0.1	\$0.69*

Comments / Assumptions

- Plan structured to be cash positive throughout,
- Interim Financing proposed 2007, \$3.2m, 20 year @5%,
- Airport self sufficient after 15 years,
- Municipal Revenue Sharing to airport ends 2021,
- Federal / Provincial contribution \$.72m to 2014,
- Private / Commercial investment not included,
- Continuous marketing plan,
- *Accum C\$ retained – enables Capital Investment / rehab.

8.2 Current Situation

- Stakeholders recognize - no alternative to 16/34,
 - If airport is to expand, one footprint available,
 - Need 3 properties,
 - 16/34, taxi ways, A/C parking, apron
 - Industrial lands suited for 40 – 60 sites,
 - Airpark lands suited for 40 – 60 residences,
 - 2.8 person years of construction per structure,
 - 140 to 160 FTE jobs
- 2 of three properties now closed,
- North property in negotiations,
 - Has no encumbrances,
 - No development,
 - Value has been considered,
- Expressions of interest from third parties,
 - Developer of residential homes,
 - Siemens,
 - Ministry of Natural Resources,
 - Local business people,
 - Aircraft Industry

8.3 Possible Next Steps

- Communication Plans
 - Ensure respect and rights of community maintained,
 - Inform and reassure,
 - Greater Public, jurisdictions, 'right message'
 - Renew approaches to:
 - Provincial interests,
 - Federal groups,

- Infrastructure
 - Begin design engineering work,
 - Site work,
 - If possible, lay aggregate 2007 for 16/34 paving 2008

- Promotion
 - Business focused Marketing Campaign:
 - Web site notification of intentions
 - Ads in: Technology / Trade / Tourism / Flying publications

8.4 Close

- Excellent collaborative team,
- Outstanding opportunity for Haliburton / Stanhope,
- Excited about making a difference,
 - Jobs,
 - Mitigation of the tax burden,
 - Creating spin-off business activity / opportunity,
 - Medivac operational improvements / benefits,
 - Foundation for economic growth,
 - Transforming an under-used asset into strategic value

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