



# Richard W. LeVan Airport

North Huron Feasibility Study

BUDGET MEETING

FEBRUARY 10, 2016



# Overview

- Council requested an internal service review of the Richard W. LeVan Airport
- Key tasks included:
  - Consultation with public
  - Consultation with key stakeholders
  - Investigation of future options
  - Assessment of economic benefit
  - Business opportunities for growth
  - Ongoing challenges



# Executive Summary

- Airport is a regional benefit but funded locally by North Huron – Cost/Benefit Gap
- Overall operating deficit is not substantial, but not able to break even
- Airport is a service
- Airport is not an core service offered in most municipalities
- If closed or sold, not likely that the Township could rebuild (expense, and available land)



## Executive Summary Cont.

- Greatest benefit to the region:
  - Economic development/benefit
  - Medivac service
- Average annual balance of revenue/expense/capital over past 5 years
  - = -\$8,902
- Staff Direction from Council...



## Option A - Status Quo

- Continue to operate the airport with no significant operational changes
  - Seek support from Huron County Economic Development Committee
  - Communicate with the Town of Goderich Airport – shared services
  - Encourage the growth of hangar development that can be accommodated by current infrastructure (taxi and apron, land space, services). Further growth would require third party investment
  - Develop a long term management plan for woodland



## Option B - Divest

- Establish a 2-3 year plan to divest of property
- Halt further development
- Shared investment with hospital for new helipad
- Invest proceeds in NH infrastructure
- Reduction of operating deficit for NH and no further capital investment required
- Loss of service



## Option C – Third Party Analysis

- Invest in a third party analysis of the airport to investigate untapped potential
- Visit [www.explorersolutions.ca](http://www.explorersolutions.ca) for scope of work
- May provide an option not considered
- Investment may not provide desirable results



## Option D – Request for Proposals

- Undergo a Request for Proposal process to seek out options for public or private opportunities
- Township not obligated to accept any proposal
- May identify a solution not considered
- Third party operators will result in operating deficit to municipal airports
- Twp operating costs to consider this option
- Could be part of Option C scope of work





# Background

- Airport developed in mid-nineties to support growth of Wescast Industries
  - Provincial MTO program provided 80% funding for development of airport
  - Total cost around \$2M
  - Construction completed in 1996
  - Last airport developed under this Provincial Program

# Background

- The MTO operating and maintenance program ended in 1996.
- The MTO development subsidy ended in 1998.
- All capital and operating funding from province for Registered Municipal Airports ended at this time.
- Wingham was fortunate to receive 80% for the development, but never received operating support from Province.



# Airport Infrastructure

- Runway 1,220m x 23m
- Primary infrastructure for an airport
- In “excellent to good condition”
- 1996 original asphalt was 50mm
- 2006 second 50mm lift was applied
  - 2006 expense \$294,112
  - Funding from:
    - \$199,633 revenue from 2006 forestry cutting
    - \$85,000 from reserves left from original build
    - \$9,489 paid from North Huron budget



# Support Infrastructure

- Lights
- Windsock
- Taxiway (180m x 10m)
- Apron (80mx80m)
- Terminal Building
- 234 acres of farm land
- Natural environment (136 acres)





# Private Building

- 3 Hangars
- Jet shed
- Cadet Shed



# Services

- Fuel
- Tie downs
- Pilot lounge
- Customs
- GPS approach





## Wingham Airport with Surrounding Land Designations

### TOTAL AREA

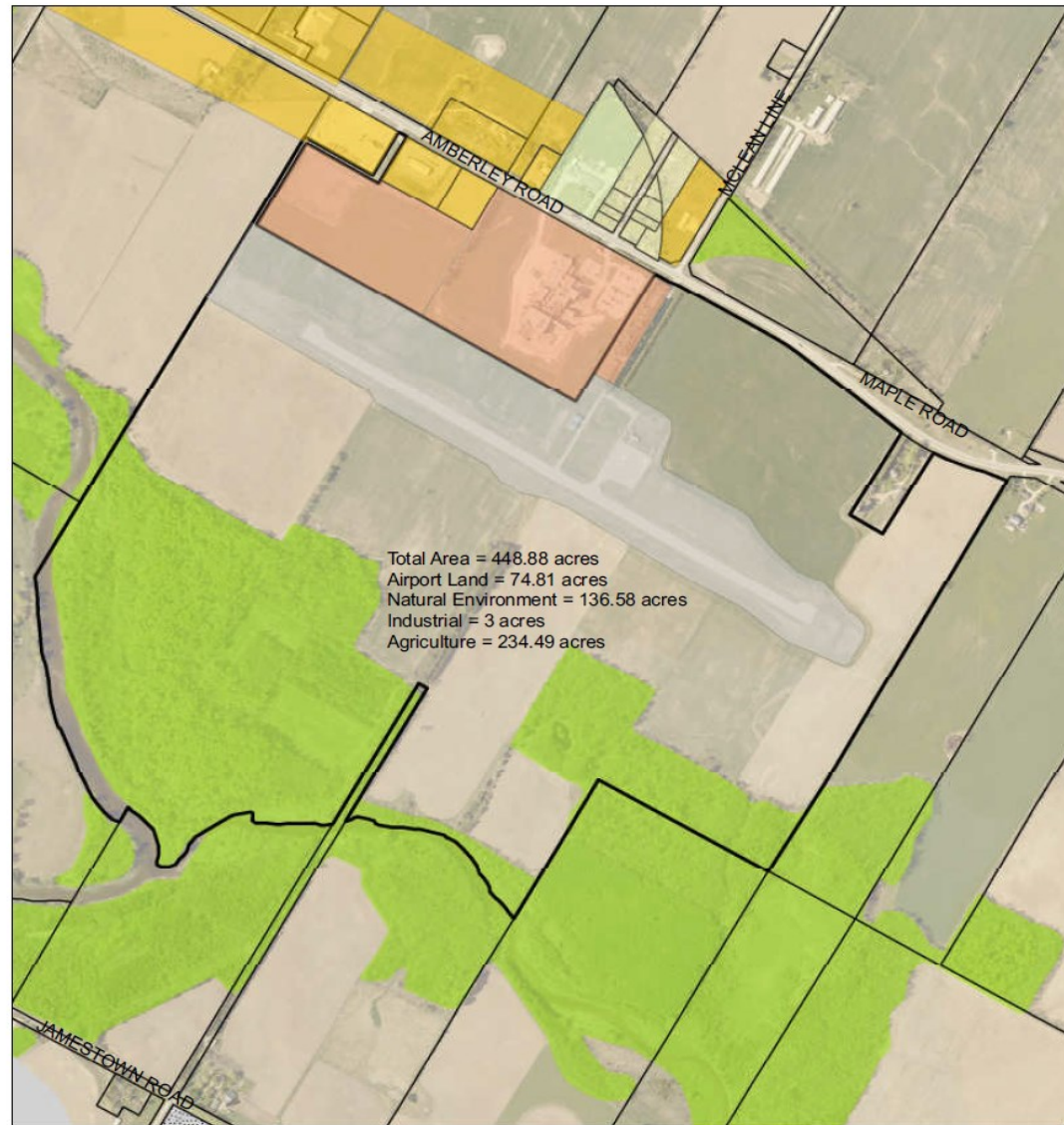
448.88 ACRES

Airport Land = 74.81 acres

Natural Env. = 136.58 acres

Industrial = 3 acres

Agricultural = 234.49 acres



0 370 740 Meters

- AGRICULTURE
- NATURAL ENVIRONMENT
- AIRPORT
- INDUSTRIAL



# Jurisdiction

- Registered Aerodrome vs Certified Aerodrome
- Zoning and Permitted Uses
- Federal Jurisdiction





# Current Users

## Apex Helicopters

A commercial helicopter company operating five helicopters and occupying two hangars.



# Personal Pilots

- One hangar
- Occupy hangar space and one tie down
- Participate on the airport advisory committee
- Desire for more hangar space





# Air Cadet – Glider Program

- Federal program operated through Minister of National Defence
- Tenant at airport utilizing storage building, tie downs and office space in terminal building
- Operate Spring and Fall
- Revenue
  - Rent \$4,080 annually
  - Approx \$5,000 fuel sales





# RC Jets

## Wingham Radio Controlled Jets

- Wingham Club uses airport for members and invited guests
- RC Jet Rally held annually. Large scale air show event at the airport.



# Ornge - Medivac

- Ornge is used to transport most critical patients to tertiary care centre in London, Hamilton, and Toronto from Wingham
- Patients moved by fixed wing or helicopter
- Hospital provides \$1,500 annual contribution to snow removal expenses





# Ornge Utilization

	2011	2012	2013	2014	TOTAL
In & out					
Fixed	1	3	1	0	5
Rotor	7	9	5	19	40
Total	8	12	6	19	45

*The air summary report for Ornge separates the movements as incoming/landing and outgoing/departure. For the purposes of this report they have been combined in this table as one movement, but aviators would consider a landing and take-off as two movements*



# Patient Transfer

- Fixed wing patient transfers require a runway/airport
- Helicopter can land at scene in good weather during day light
- At night or inclement weather the helicopter requires an approved certified site
- There is no other approved heliport in Wingham
- Without this facility, patients would be land transferred to another site (i.e. Walkerton)
- Estimated cost of building heliport facility \$500,000 - \$1,000,000

# Farm Land

- Tennant rents 230 acres
- Annual revenue of current lease is \$59,800
- Crop diversity is limited by proximity to runway







# Fuel

## LITRES PURCHASE AND SOLD

	2011		2012		2013		2014	
	Pur	Sold	Pur	Sold	Pur	Sold	Pur	Sold
100LL	14,255	14,117	10,784	10,205	12,544	10,974	13,633	12,298
JET A	0	0	0	0	4,011	948	3,976	4,011



# Fuel Sales

	2011	2012	2013	2014	2015	5 Yr summary
Actual						
Sold	\$25,187	\$20,366	\$22,235	\$28,568	\$21,761	
Purchased	\$19,464	\$15,868	\$26,137	\$25,658	\$20,500	
Revenue	\$5,772	\$4,498	-\$3,902	\$2,911	\$1,311	\$10,541
Fuel Maintenance	\$831	\$0	\$6970	\$272	\$3,800	\$11,874

# Airport Studies

- **2007** – Novatec Engineering Consultants – Concept plan for fly-in community
- **2009** Airfield pavement study
- **2009** IAMG – economic impact of airport
- **2013** – Obstacle Limitation Surface mapping and zoning by-law consulting





# Airport Value

- Farm land \$2,990,000
- Bush lot \$136,000
- Airport lands and infrastructure: unknown

## BUSH PROPERTY

- Harvested in 2006
- Current assessment
  - Short term: improvement cut
  - Long term: potential from sale of forest products

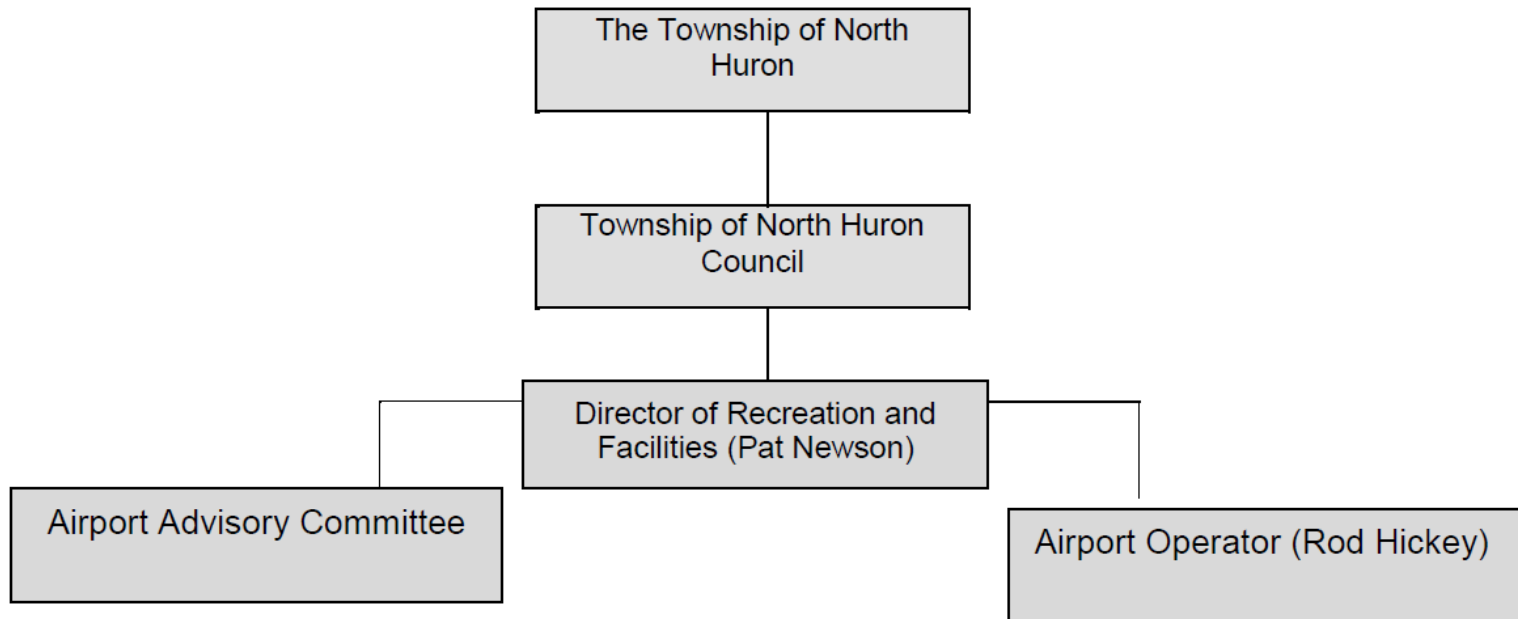


# Operating Budget

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	average
Revenue	\$71,296	\$63,277	\$72,862	\$100,746	\$91,499	\$79,505
Expense	-\$74,790	-\$61,603	-\$83,339	-\$83,200	-\$81,294	-\$78,197
Net Operating	-\$3,494	\$1,674	-\$10,476	\$17,546	\$10,204	\$1,307
Capital/ Projects			-\$20,606	-\$34,631	-\$4,728	
Net Operating/ Capital Expenses	-\$3,494	\$1,674	-\$31,082	-\$17,084	\$5,476	-\$8,902



# Richard W. LeVan Operating Structure





# Economic Impact

## Direct Impact

- Fuel sales
- Hangar rent
- Flight instruction activity
- Jobs at the airport

## Indirect Impact

- Local businesses or services
- Tourism
- Regional asset for business use
- Health care
- Attractive to new business that may require air service on-site or near by



# Cost/Benefit Gap

BENEFIT IS REGIONAL



COST IS LOCAL

