



# Strategic Business Plan for The Muskoka Airport

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# 1. CURRENT SITUATION

## 1.1 Introduction

The Muskoka Airport was one of many airports transferred to local interests between 1995 and 1997 as a result of the 1994 National Airports Policy. The District Municipality of Muskoka assumed responsibility for the Airport in November 1996 in recognition of its importance to Muskoka's economy and that it formed an essential link in Muskoka's transportation infrastructure. At that time, it was noted that there was a 'community of interest' in the Airport, which affected more than one Area Municipality.

When Muskoka was considering assuming the responsibility for the Airport, it was also recognized that most airports in both Canada and the United States did not generate a profit and required ongoing municipal support. However, like many public services (e.g. roads, arenas), it was understood that the benefits of an Airport would be realized in other ways such as attracting and retaining aviation and other industry or business as well as providing facilities to attract the traveling public particularly in the second home and tourism sectors. Many communities across Ontario viewed an Airport as being vital for attracting and retaining business. As a result communities such as Barrie and Orillia invested significant municipal funding to establish airports such as the Lake Simcoe Regional Airport. In 1996, Muskoka was able to acquire a multi-million dollar facility for \$1.00.

The premise under which Muskoka assumed the Airport remains valid today – the Airport contributes significantly to the Muskoka economy and also provides valuable transportation infrastructure. The benefits of the Airport are felt throughout Muskoka in terms of usage and/or spin off effects. The Economic Impact Report prepared in 2005 indicated that the Muskoka Airport contributes over \$31 million to the economy annually with a direct impact of approximately \$5.4 million per year. The cost to Muskoka to operate the Airport in 2005 was \$335,000.

Over the past five years, there have been significant increases in both annual aircraft movements and the size of aircraft arriving in Muskoka. Annual aircraft movements have increased from 12,408 movements in 2000 to 15,391 movements in 2005. There has also been an increase in the size of the arriving aircraft, in particular jet-traffic. The volume has increased from 536 jets in 2000 to 679 jets in 2005, which is a 27% increase. The majority of aircraft movements during the summer are second homeowners and visitors to our region.

The Muskoka Airport is the location for aviation related industry and business, and is also used by industry and business located elsewhere in Muskoka (e.g. Dura, Wal-mart). The 2005 Economic Impact Study surveys from major employers and resorts revealed that half of the 27 businesses who responded use the Airport and feel that it is important to their business. The Airport is an important contributor to business retention and expansion. Military and recreational flyers also use the Airport. In addition, the Airport serves as a base for emergency services such as Med-Evac, which is particularly important to Muskoka in the summer months. The Airport is used as a base for the Ministry of Natural Resources firefighting service and for rescue efforts in Muskoka or the surrounding area.

In July 2005, Muskoka District Council confirmed its commitment to retain ownership and operation of the Muskoka Airport as a regional asset after the transfer agreement with Transport Canada expires in October of 2006.

*"The Muskoka Airport (known as CYQA to pilots) is a real jewel in Muskoka. It's one of the best-kept secrets of this area. It brings in millions in revenues to the area annually so it should be viewed as a key asset rather than a budget sinkhole."*

Earle Robinson, Bracebridge  
*Bracebridge Examiner, February 23, 2005*

## 1.2 *Plan Basis*

### Vision:

The long-term vision for Muskoka Airport is that it will continue to be a commercial Airport, which effectively promotes and serves the social and economic needs of the District Municipality of Muskoka.

### Values:

- Ensuring safety
- Excellence in customer service
- Providing the community with a transportation link and an aviation business node
- An effective and cost efficient operation
- Open and effective communication
- Positive relationships and teamwork
- Integrity, accountability and dedication

### Goal:

The Muskoka Airport will be a regional asset by providing efficient and effective service to aviation and local business, tourist and second home travellers, and recreational flyers.

### Objectives:

#### **Airport Operations**

This function deals with the day-to-day overall operation of the Airport.

1. To ensure that all regulations are met and the Airport retains its certification.
2. To ensure Airport facilities and equipment are maintained or improved.
3. To operate a safe and cost efficient Airport.

#### **Fixed Base Operator (FBO) Operations**

This function involves the operation of the fuel dealership operated by the District.

1. To ensure that the refueling facility is operated safely and efficiently to maximize revenue.

#### **Airport Development**

This function is to ensure positive relationships with existing and new tenants and to attract new development to the Airport.

1. To maintain and improve existing business relationships and development.
2. To respond effectively to development opportunities.
3. To foster aviation related business growth and development.

### **1.3 Aviation Industry Requirements**

Aviation in Canada operates on the principle that safety is a shared responsibility by all members in the industry, both on the ground and in the air. The Federal "National Airports Policy" (NAP) 1994 provided a framework that clearly defined the Federal government's role with airports in Canada. Under NAP the Federal government withdrew from operational and financial involvement in regional and local airports and became the regulator of the industry. Now, Transport Canada sets the standards and regulations for the safe operation and maintenance of airports in Canada. The department ensures compliance with standards and regulations through a regular program of comprehensive monitoring, inspections and audits. They also initiate training and promotional campaigns to encourage safe practices by aviation professionals in Canada. It is within this framework that the Muskoka Airport must operate.

In 1999, Transport Canada introduced "Flight 2005" a planning document used by the department to move the Civil Aviation program towards their new role as safety managers. "Flight 2005" provided a safety framework used to identify Transport Canada's operating principles and values, described the direction for the next five years, provided safety targets, and identified key results. During the five years following the introduction of "Flight 2005" advances have been made towards a safety focused and self-regulating industry. These new regulations have placed greater responsibility on Airport owners and operators to ensure compliance. Over the next few years, the Muskoka Airport will be faced with the introduction of a variety of new regulations, and requirements.

As part of the transfer agreement Muskoka was required to update the Airport Operations Manual (AOM). The AOM contains the Airport specifications, administrative procedures, airside operational plans, and procedures. All certified airports are required to hold and maintain an AOM in order to acquire an Airport Operating Certificate. The Muskoka Airport currently holds an Interim Airport Certificate allowing the District to operate the Muskoka Aerodrome as an Airport. One of the major objectives in the 2005 work plan was to have the AOM approved by Transport Canada. The process of revising the AOM included numerous amendments and drafts. Staff worked with the Transport Canada Inspector for the Muskoka Airport over the past few months to complete the required revisions and the plan has been sent to Transport Canada for approval. Verbal approval has been given and the final draft document has been sent to Transport Canada for signature. The next requirement to be completed in order to obtain the Airport Operating Certificate is an update of the Airport Emergency Plan. This has been included in the 2006 Airport work plan.

The Wildlife Management Planning regulation will come into effect in early 2006. This new performance based regulation will require Airport operators to develop an Airport Wildlife Management Plan to be approved by the Minister. A review and amendment (if necessary) of the plan will be required at least every two years in response to changing risk elements. This regulation is intended to address the ongoing need for Airport wildlife control as bird and mammal strikes continue to be an aviation safety issue.

In 2007, Safety Management System (SMS) regulation will come into force. This new regulation has a three year staged implementation period. Certified Airport operators will be required to implement a SMS program that contains a systematic, explicit and comprehensive process for the management of safety risks. The SMS program will integrate operations and technical systems with financial and human resource management, for all activities related to an Airport operator's certificate. SMS is based on the theory that there will always be hazards and risks, so proactive management systems are needed to identify and control these threats to safety before they lead to accidents or incidents.

## 1.4 Achievements

Over the past nine years, Muskoka has focused primarily on providing excellent customer service and ensuring the facilities were maintained in order to continue operation as a certified aerodrome. Over this time, the following has been achieved:

- A master plan (1999) and a Marketing and Business Strategy (2003), have been prepared
- An Economic Impact Study (1994 & 2001 & 2005), has been updated
- The Air Terminal Building (ATB) has been improved and the Airport Manager's office and administration has been relocated to the ATB from the maintenance garage
- Pilot facilities have been added
- Airport service has been provided 7 days a week and customer service has been improved
- Concession revenue has been provided
- Ongoing preventative runway maintenance has been undertaken
- Taxiway access has been improved
- The airfield lighting system has been upgraded
- A land sale policy was introduced
- The Imperial Oil Fixed Fuel dealership has been operated by Muskoka since 1999
- Snow removal vehicles have been upgraded and included in the District fleet program
- A new website for the Airport has been designed
- A Global Positioning System (GPS) approach for runway 18/36 has been established
- An Environmental Impact Study for the wetland on the east side of the Airport has been completed

## 1.5 Human Resources

Currently, the Airport is staffed with four (4) full-time equivalent employees. The following depicts the current organizational structure:



### Airport Manager (APM)

The Airport Manager (APM) is responsible for the safe and efficient management of the Muskoka Airport. This task includes actions for maintaining Airport certification and ensuring that all applicable Transport Canada acts and regulations are complied with. The APM also ensures that all District Policies are followed. Maintaining all Airport documentation such as the Airport Operations Manual (AOM), Airport Emergency Plan and Snow Removal and Ice Control Plan is also a primary responsibility of the APM.

### Assistant Airport Manager

This position is responsible to assist in the safe and efficient management of the Muskoka Airport. The Assistant Manager assumes all duties of the APM in his absence. The Assistant Manager acts as an operational manager ensuring the day-to-day operation of the Airport is undertaken. On-site fleet management is also undertaken by this position, to ensure all vehicle logs and maintenance is kept up-to-date.

### Airport Operations I

This position delivers service and undertakes maintenance functions at the Airport in accordance with Transport Canada Standards and the Airport Operations Manual. This includes minor equipment maintenance and operation, airfield maintenance and grounds work. It also includes aircraft servicing and operation of ground handling equipment.

### Airport Operations Casual Hours

Airport Operations casual hours have been provided to assist in the operation of the airfield and Esso dealership during the peak times of the year. Duties completed by this position are similar to the Airport Operations I position.

### Airport Services Representative (ASR)

A new position of Airport Services Representative (ASR) has been proposed in the 2006 operating budget. This proposed position would undertake administrative functions and customer service support at the Airport. Main functions of this position will include reception and administrative support, collecting and inputting financial data and collection of other information related to the Airport operation. In addition, assisting with aircraft servicing including fueling as required would be a function of this position.

## **1.6 Infrastructure**

The Muskoka Airport has been part of the transportation infrastructure in Muskoka since the early 1930's when it was constructed as an emergency landing field. These facilities were upgraded over time and aviation business tenants were established at the Airport facility under Federal jurisdiction. The Airport was transferred to Muskoka by Transport Canada in November 1996. This transfer included approximately 198 hectares of property as well as the following facilities:

- A 1829m X 45.7m asphalt runway and associated lighting system
- two taxiways
- 664m x 30.5m turf (grass) runway
- a public apron
- the building at the south end occupied by Corrections Canada
- the Air Terminal Building (ATB) of 155 m<sup>2</sup> built in 1968
- a maintenance garage of 547 m<sup>2</sup>, and
- a dwelling

Airport maintenance equipment was also transferred to Muskoka. Certain electronic equipment used for navigation was retained in the ownership of Transport Canada.

**Buildings**

The Marketing and Business Strategy completed in 2003 identified that the maintenance garage and the Air Terminal Building (ATB) required upgrading. The capital budget forecast includes an allocation to repair the ATB, but this has been delayed so that it can be coordinated with the Norwegian-Canadian Memorial and Cultural Centre should that project go forward. The initial design work for that project has confirmed that the existing ATB requires upgrading. Further discussion regarding buildings can be found under Infrastructure Investments starting on page 20.

A preliminary inventory of the existing facilities includes:

<b>Building of Facility</b>	<b>Date of Construction</b>	<b>Current Condition</b>
Maintenance Garage	1952 1974 renovations	Poor to Fair. Expensive to heat/maintain.
Sand Storage	1982	Poor.
Dwelling – APM House	Early 1950's	Poor.
Air Terminal Building (ATB)	1968 1986 renovation	Fair. Aging exterior fabric. Inefficient heating. Requires upgrading.
Office Building – CSC	1935 1994 renovation	Unknown.
Cold Storage Building	1984	Excellent.

**Key Infrastructure**

The key infrastructure for the operation of the Airport is the main runway, secondary turf (grass) runway and associated taxiway system. In order to maintain the Transport Canada certification, the facility must meet the standards in Transport Canada Publication TP312E. Considerable discussion respecting the main runway occurred when the Airport was transferred to Muskoka. At that time, Transport Canada confirmed in writing that the pavement loading rating was level 9, which would accommodate aircraft up to 90,270 kg. The largest aircraft expected to use the Airport was from Weight Group “E” that would include aircraft such as a De Havilland DHC-7 or DHC-8 or a Canadair RJ.

Further discussion regarding infrastructure and necessary investments is included in Infrastructure Investment on page 20.

A preliminary inventory of the existing infrastructure includes:

<b>Building of Facility</b>	<b>Date of Construction</b>	<b>Current Condition</b>
Airfield Lighting - Cable	1976 1980 refurbish	Poor. Below standard.
Aircraft Radio Control of Aerodrome Lighting (ARCAL)	1994	Good. No longer in production.
Airport Lighting Power Centre (ALPC)	1952 1980 rehabilitation	Fair to good exterior. New roof installed in 2005. Interior equipment unknown.
Automotive Fuel Tanks – In-ground	Unknown	Condition unknown. Investigation required.
Connector Taxiway Alpha towards Bravo.	1990's	Poor.
Connector Taxiway remaining from Alpha to Bravo.	2003	Excellent.
Interruptible Power Unit (IPU) - Emergency Generator	1978	Inspection completed in 2004. Upgrades required to meet code.
Main Apron	1951 1980 refurbish	Requires expansion.
Precision Approach Path Indicators (PAPI)	1989	Good. Frost-free lenses added in 2005. General maintenance carried out on a yearly basis.
Regulator – Hevi-Duty 4 KW	1965	Upgrade recommended.
Regulator – Siemens 7.5 KW	1994	Loaded past normal operating limits.
Runway Lighting System Medium Intensity	1976 1980 refurbish	Inspection completed in June 2004. Upgrades required.
Rotating Beacon Tower	1961 1990 upgrades	Inspection completed in 2005. Upgrades and painting required.
Runway 18-36 abandoned 50' section	1951 1980	Major FOD issue. Removal required.
Runway 18-36 – Asphalt	1951 1984 asphalt overlay 1994 asphalt overlay	Pavement Distress Evaluation and Rehabilitation Strategy completed in 2005.
Runway 09-27 – Turf (grass)	1935	Good. Requires work.
Service Roads & Parking lots	Unknown	Fair to good. Requires paint.
Security Fencing	Unknown	Good. West side of site only.
Storm Drainage	1993 upgrades	Acceptable.
Taxiway "A" Alpha	1951	Condition is poor.
Taxiway "B" Bravo	2003	Excellent.
Utilities – gas, power, communication – ATB	Unknown	Natural Gas installed at ATB.
Utilities – gas, power, communication – Garage	Unknown	Natural Gas installed at Maintenance garage. Detailed electrical inspection required.
Utilities – Septic – ATB	1967	Holding tank pumped February 2005.
Utilities – Septic – Garage	1967	System to be cleaned in 2006.
Utilities – Water ATB	1980	New filtration system installed in 2004. Tests completed on weekly basis.
Utilities – Water Garage	1952	New filtration system installed in 2004. Tests completed on weekly basis.
Wind Direction Indicators (Windssocks)	Unknown	Replacement required.

Fleet Vehicles

Airport maintenance vehicles were assumed as part of the transfer from Transport Canada. Since the time of transfer the vehicles have been updated and included in the District Fleet Program.

Under the fleet program, three (3) vehicles have been replaced; they include a pick-up truck, the main snow blower, and the main plow truck. The fleet cost in 2005 was \$75,000.

A preliminary inventory of the existing fleet vehicles includes:

Vehicle	Year	Current Condition
Sterling Tandem Plow Truck	2003	Excellent
SMI Model 8300 Snow Blower	1979	Good
Belarus Tractor	1986	Good
Sweepster	1984	Good
John Deer Lawn Mower	1986	Fair
Case Loader	1994	Good
Chevrolet 4x4 Pickup Truck	2003	Excellent
International Sander Truck	1986	Poor. Recurring transmission problem. Replacement parts hard to find.
RPM Loader Mount Blower	1992	Good

It is anticipated that due to the age of some of the Airport vehicles, at least one will need to be replaced over the next few years.

**1.7 Fuel Facility (FBO)**

Muskoka Airport Fixed Base Operation (FBO) is a refueling operation located on a parcel of leased land and operated as an Esso [Imperial Oil Limited (IOL)] Branded Aviation Dealer. In November 2005 Imperial Oil confirmed its commitment to replace the existing 30-year-old below ground facility with an above ground facility.

Further discussion on the relocation plans can be found under Infrastructure Investment on page 25.

## 2. IMPACT AND FUNCTION

### 2.1 *Economic Impact*

The Economic Impact Study was updated in 2005 to project an accurate impact from the Muskoka Airport. This study followed the approach taken in the original analyses done in 1994 and 2001. The reports in 1994 and 2001 were based on Economic Impact Surveys that were distributed to travelers, Airport agencies and businesses, resorts and major employers in Muskoka. The methodology developed by the Aircraft Owners and Pilots Association (AOPA) for economic impacts of small airports was used and the data collected from surveys formed the basis of the analysis of the economic benefits of the Airport. For comparison purposes, the same methodology used in the 1994 and 2001 reports was generally used in this report. The only notable difference between the 2001 and 2005 studies is in the evaluation of direct impacts. Where the 2001 study relied on estimation due to a lack of response from the Airport businesses, the 2005 study was successful in obtaining financial information from a number of businesses and as such, is able to provide more accurate financial figures.

#### Direct Impacts

To estimate the direct impact, a survey of Airport businesses was undertaken in conjunction with Airport staff. Airport businesses were contacted in person to ensure a high level of response and a quick turn around time. A sum of the grand totals (sum of payroll, capital expenditures, operating and maintenance costs, taxes and fees) from each survey provides the direct impact on the Airport.

Based on the information submitted from the Airport businesses, the revenues generated from leasing the Airport land to the Airport businesses and fuel sales, the total direct impact of the Muskoka Airport was estimated to be **\$5,401,305** annually. This figure was obtained using financial information from six businesses, two of which will not begin operations until the first quarter of 2006. The first new business was included because it will be occupying an existing building that was previously occupied when the 2001 Study was completed. The second new business represents a significant employer at the Airport (12-15 employees), and as such, their financial impact on the Airport and surrounding community is significant.

#### Indirect Impacts

The calculated annual indirect impact of the Airport was **\$5,038,130**. To determine the indirect impact, the number of people entering Muskoka via the Airport and the average dollar expenditures per person is required. An estimate of the number of people entering Muskoka via the Airport was determined by the number of aircraft arrivals multiplied by the average number of people per flight. A Traveler's Survey was administered by Airport staff throughout the summer months (from the long weekend in May to the Labour Day weekend) to determine the purpose of travel to Muskoka via the Airport. Depending on the type of user (transient, seasonal resident, business) and based on information contained in Muskoka Tourism's 2000 Strategic Plan, a dollar value was assigned for each visitor:

- \$343 for transient visitors
- \$196 for seasonal residents
- \$251 for business travelers

Analysis of the survey responses indicated that 19% of travelers were using the Muskoka Airport for tourism. The seasonal or recreational travelers accounted for 48% of the responses while business travelers accounted for 33% of the respondents. There were many respondents that indicated more than one reason for their trips. For the purposes of the analysis, recreational flying and cottage users were grouped together as "seasonal", business and other were treated as "business" travel and tourism was classified as "transient". Other was grouped with business because the majority of those who selected "other" were traveling for business reasons.

## Induced Impacts

The annual induced economic benefit of the Airport was **\$20,878,870**. Induced impacts are also referred to as the multiplier effect, which accounts for the additional jobs or expenditures within a community caused by the expenditure of the Airport related dollar. A multiplier of 2 was used as a conservative estimate of the induced impacts of the Airport on the Muskoka economy. As such, the induced impact was calculated as follows:

$$\begin{aligned} &(\text{Direct Impact} + \text{Indirect Impact}) \times 2 = \text{Induced Impact} \\ &(\$5,401,305 + \$5,038,130) \times 2 = \$20,878,870 \end{aligned}$$

## Results

The Muskoka Airport contributes approximately **\$31,318,305** to the Muskoka economy annually, compared with \$18,908,768 in 2001. This represents a 65.6% increase over the 2001 total impact (or \$12,409,537).

Permanent and seasonal residents, business travelers, tourists, recreational flyers and local businesses all use the Muskoka Airport. As a result of the well-balanced uses at the Airport, its operation will not be significantly affected by a negative impact in one area of business, such as a decrease in business traffic, a slow tourist season or poor weather.

Furthermore, based on the survey responses it is clear that the convenience factor of the Airport is important for many travelers as well as the local businesses. Opportunities exist to promote the use of the Airport for tourism, recreation and business travel.

## **2.2 Target Markets**

The information provided through the Economic Impact Study indicates that the Airport serves two distinct sectors. Firstly, it provides an aviation related business area and secondly, it serves as a vital link in the transportation industry in Muskoka. There are two very distinct target markets:

- 1) Business Development: Aviation business development at the Airport.
- 2) Aircraft Movements: Airport business and activity related to second homeowners, tourism visitors and recreational flyers.

### Business Development

The primary objective for business development is to increase aviation industry and business at the Muskoka Airport. Increased land utilization will ensure the long lasting viability and importance of a community based Airport facility. Increasing the development area will have a direct impact on the economic impact of the Airport.

### Aircraft Movements

Increased aircraft movements will have an indirect impact on the community the Airport serves. Back in the early 1990's Muskoka Airport had a significant amount of yearly movements. Many factors that affected the entire aviation industry also affected the annual movements at the Muskoka Airport. Recently, the industry has experienced an upward trend in aircraft movements as demonstrated in Figure 1. One focus of marketing efforts will be to continue to increase again annual aircraft movements.

Figure 1: Aircraft Movements at the Muskoka Airport:

<b>Year</b>	<b>Jet</b>	<b>Turbo Prop</b>	<b>Piston</b>	<b>Rotary Wing</b>	<b>Total</b>
<b>2000</b>	536	786	10,441	645	<i>12,408</i>
<b>2001</b>	486	990	10,741	792	<i>13,009</i>
<b>2002</b>	606	1,416	10,360	1,293	<i>13,675</i>
<b>2003</b>	741	1,399	10,241	1,212	<i>13,593</i>
<b>2004</b>	657	1,241	10,307	953	<i>13,158</i>
<b>2005</b>	679	1,076	12,670	966	<b>15,391</b>

### 3. STRATEGIC PLANNING

#### 3.1 *Business Objective*

The main long-term business objective at the Muskoka Airport is that it will continue to be a local commercial Airport, which promotes and serves the social and economic needs of the District Municipality of Muskoka. The best way to achieve this is to focus goals and strategies on maintaining excellent performance and adopting a culture of continuous quality improvement.

#### 3.2 *Strengths, Weaknesses, Opportunities and Threats (SWOT)*

In preparation for the development of this Five Year Strategic Plan a SWOT analysis was completed in order to identify the current business situation and environment of the Muskoka Airport. Reviews of previous SWOT analyses were taken into consideration while completing this analysis.

<b>Strengths</b>	<b>Opportunities</b>
<ul style="list-style-type: none"> <li>• Community transportation link</li> <li>• Aviation business community</li> <li>• Access to vacant land for development</li> <li>• Community support</li> <li>• 6,000 ft. runway</li> <li>• Existing tenant base</li> <li>• Reputation as a tourist destination</li> <li>• Close proximity to Highway</li> <li>• Central location in District of Muskoka</li> <li>• Visible from the highway</li> <li>• Enhances the economy (tourism, industry)</li> </ul>	<ul style="list-style-type: none"> <li>• Potential market for serviced lots</li> <li>• Partnerships with community groups</li> <li>• Muskoka is presently promoted by other organizations (Muskoka Tourism)</li> <li>• Off-season development</li> <li>• Possibility airports to the south closing</li> <li>• Lack of development space at airports to the south</li> <li>• Cooperative marketing</li> <li>• Community hangar space for rent</li> </ul>
<b>Weaknesses</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Lack of apron space in the summer</li> <li>• Un-serviced land</li> <li>• Seasonal traffic activity</li> <li>• Competition from road travel</li> <li>• Unknown commodity</li> <li>• Transportation service to and from site (e.g. Car rental and taxi)</li> <li>• No scheduled service</li> <li>• Aging and small terminal facility</li> <li>• Signage</li> <li>• Maintenance costs</li> <li>• Lack of temporary hangar space in winter</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of government support</li> <li>• Over regulation in the aviation industry</li> <li>• Security in the industry</li> <li>• Economic issues</li> <li>• 9/11 like situation</li> <li>• Rising fuel prices</li> <li>• Security issues</li> <li>• Increasing costs of operation</li> </ul>

### **3.3 Airport Marketing Program**

The Muskoka Airport Marketing and Business Development Strategy prepared by KMB Aviation Consulting Group Inc. provided general recommendations and background information respecting a promotional program for the Muskoka Airport. The strategy recommended the development of a marketing program to assist in attracting new business in two areas:

- 1) Aviation business development.
- 2) Business activity related to second homeowners, tourism visitors and recreational flyers to increase aircraft movements at the Airport.

The next step is to identify the specific details of a program and associated products that would effectively reach these markets to promote business development at the Airport. Such a program must develop an appropriate and consistent message and visual representation that would uniquely identify the Muskoka Airport and could be used in a variety of formats (e.g. web, print, or signage). An action plan must also be developed to use the products produced to reach these markets.

Creative Media Cubed Inc. (CM<sup>3</sup>) a marketing and graphic firm located in Barrie, Ontario is undertaking the development of this marketing and communications plan and subsequent business communications resources. It is anticipated that the Strategic Marketing Plan will work hand-in-hand with this Strategic Business Plan.

### **3.4 Development Planning**

#### West side Lands

The development at the Airport has occurred on the west side of the main runway. Several vacant parcels still exist in the area, but further preparation of the land is required in order to develop.

The 1999 Muskoka Airport Master Plan identified three potential land development uses and development areas for these uses at the Airport. The land use plan prepared by LPS Aviation Inc., is included in this document as Appendix "B". The three uses identified for the Airport in that plan include:

- 1) Commercial Aviation – These businesses have a direct link to the aviation industry be-it industrial or commercial aviation uses that require airside access to carry out operations. Examples of these businesses might be aircraft maintenance, aircraft assembly, aircraft manufacturing and others.
- 2) Private Aviation – Encompasses all general aviation users of the Airport. This type of development is critical to a strong and vibrant Airport community. Private hangars are examples of this type of development.
- 3) Commercial Non-Aviation – A business or facility with the primary use other than aviation related. This type of business will not require access to the Airport runways. An example of this may be a storage facility.

Generally, development at the Airport has followed this plan.

## East side Lands

The east side of the airstrip holds the largest development area remaining at the Airport. This area is bordered on the west by the main runway and to the east by a wetland. Currently, no vehicular access exists to this area.

In 2003, KMB Aviation Consulting Group prepared an Airport business development strategy that included the recommendation to open this side of the Airport for development. A preliminary concept plan was prepared and is included as Schedule "C".

### ***Wetland Evaluation***

In June of 2005, Gartner Lee Limited was retained to undertake an Environmental Impact Study (EIS) for the Wright's Lake wetland, located to the east of the Airport and the proposed development land. The purpose of the EIS was to provide a description of the ecological and physical characteristics of the subject property and their significance and sensitivity, specifically as it relates to the preliminary concept plan.

The Wright's Lake wetland was identified as being ecologically significant. In this regard, three types of wetland community exist, including marsh, swamp and fen. The wetland was described as a headwater wetland with important recharge and discharge functions and includes the presence of a provincially rare plant (Follicle Sedge) and dragonfly (Delta-Spotted Spike tail) as well as uncommon ecological features such as a fen, large groupings of groundwater indicator plants, a large groundwater dependent swamp community, large concentrations of breeding amphibians and fish habitat.

The EIS report indicated that of the 38.9 hectares (96 acres) included as potentially developable on the concept plan, approximately 11.2 hectares (27.7 acres) would be un-developable due to the wetland constraint. This essentially means that parcels 1 through 5 shown on the concept plan could not proceed without negatively impacting the wetland, especially the uncommon wetland types (fen) and the provincially rare species of flora and fauna. Therefore, the EIS recommended that these parcels be abandoned.

The remaining parcels 6 through 10 would have enough developable area outside the wetland to accommodate development. Appropriate mitigation measures to ensure the protection of the wetland must be taken. A new vehicular access road and additional taxiways would be required to accommodate this development. A small section of a service road to service this development would encroach on the edge of a wetland at the southern limit of the site. However, the EIS describes this area of wetland as being separated from the core wetland area and not supporting significant wetland features. Subject to certain mitigation measures, such as equalizing culverts and storm water management, the EIS concluded that there is not likely to be a negative impact to the wetland as a result of the road construction.

The EIS concludes that lots 6 to 10, together with the access road and taxiway expansion could be accommodated without negatively impacting the wetland area subject to certain mitigation measures, as outlined below:

- a) A 30 metre buffer should be maintained along the wetland boundary;
- b) Paved surfaces should be minimized;
- c) Stormwater management should be implemented to replicate existing recharge functions;
- d) A desk-top hydrogeological analysis should be undertaken to confirm that the development will not have an adverse impact on groundwater contributions to the wetland;
- e) Construction mitigation measures should be implemented including timing of vegetation removal to avoid the breeding bird season and sediment and erosion controls;

- f) Lighting should not project into the wetland, where possible; and
- g) In addition to the above recommendations, road construction should occur in a manner, which minimizes the width of the road base and maintains the hydrological regime of the wetland.

### Development Plan

The preparation of a development plan for the east side of the Airport will be initiated in 2006. This plan will identify the details necessary to plan and determine the feasibility of developing in this area. This plan will assist in ensuring maximum development potential of this land can be realized. The plan should include the following:

1. A feasibility assessment;
2. Estimated servicing and infrastructure costs; and
3. Specific uses and tenure.

The development of this area also provides the opportunity for Council to consider the option of constructing community hangar space for rent.

## 4. BUSINESS AND FINANCE

### 4.1 *Operating Costs*

Airport Operating funds are used to cover the day-to-day operation of the Airport facility. Funds must be used to ensure the operation can respond quickly to Transport Canada rules and regulations required to maintain the Airport Operating Certificate. Major drivers for this category are field maintenance, electricity, wages, and operating supplies. It is also important to ensure that sufficient funds are available to properly maintain our assets both property and infrastructure, including fleet vehicles and Airport buildings and structures. Funds have also been included in the Airport Operating fund to market the Airport as a travel and business destination.

### 4.2 *Revenue*

The Muskoka Airport derives revenue from a number of different sources. These include landing fees, ramp fees, land rentals, and other fees. A review of these fees was undertaken in 2005 and a new Fee By-law was introduced. Fees are reviewed on an ongoing basis and there may be further increases warranted. A review of all user fees is undertaken every two years to ensure maximum revenue generation.

#### Landing Fees

Landing fees are the second largest source of revenue at the Airport. When the District assumed responsibility for the fuel operation it implemented a by-law to exempt the landing fees with the purchase of fuel. Upon investigation of other airports, it was found that exempting landing fees was not a standard practice, and was only considered on a case-by-case basis (i.e. military exemptions for fuel purchases). It is recommended that this policy to exempt landing fees upon purchase of fuel be discontinued in order to increase revenue.

#### Ramp Fees

A parking fee is charged to aircraft using the main apron for parking. A review of these fees should be undertaken and increased to the market average. These increased fees could be used to offset the cost of construction of the expanded apron project.

#### Land Rental

The Muskoka Airport's main revenue source is from land rentals. This includes two components. The first is the land rental fee, which is based on the land value and interest rate factors and adjusted from time to time.

The second component is the Airport Maintenance Charge (AMC), which is used to recover a portion of the operation costs for the Airport. Originally created by Transport Canada, this charge is used to recover a portion of the Airport operating expenses. Since Muskoka has sold parcels of land, the practice of collecting AMC fees is the only fair practice to ensure that all tenants pay a fair share of the Airport maintenance expenses. As a general rule, these fees are expected to cover approximately 25% of the Airport Operating budget. The AMC fees are not collected with the intention that the Airport will do any work on the tenants leased or owned property. A recent change in the Airport Fee by-law increased AMC fees to better cover the actual Airport operation.

**Existing Tenants**

At the time of transfer, there were approximately 10 tenants and leases, which were transferred to Muskoka. Since that time there have been four parcels of land sold to tenants. Today, there are 18 tenants on the field. A reference to the following can be found in Appendix "A" Existing Land Use.

A list of the existing land leases:

Reference Number	Description of Business or Use	Lot Size
2	Commercial Hangar/Flight Training	3,425 m <sup>2</sup>
3	Commercial Hangar/Maintenance	5,465 m <sup>2</sup>
4	Commercial Hangar/Flight Training	2,201 m <sup>2</sup>
6 & 7	Aircraft Maintenance	3,743 m <sup>2</sup>
14	Private Hangar	1,350 m <sup>2</sup>
15	Charter Business	366.22 m <sup>2</sup>
17	Flight Base	2,787 m <sup>2</sup>
18	Private Hangar	1,394 m <sup>2</sup>
19	Aviation Fuel Storage Facility	1,171 m <sup>2</sup>
21	Hangar/Storage Facility	8,094 m <sup>2</sup>
22	Administration Building	2,737.2 m <sup>2</sup>
	Tie-down Lot	937.98 m <sup>2</sup>
	Medivac Air Base	Terminal Building (15.88 m <sup>2</sup> )
	Flight Training	Terminal Building (25.78 m <sup>2</sup> )
	Gas Pipe Line	Underground
	Underground Power Line	Underground

A list of existing aircraft parking spaces:

Reference Number	Description	Lot Size
9	Covered Tie-down Hangar	278.7 m <sup>2</sup>
10	Covered Tie-down Hangar	334.5 m <sup>2</sup>
11	Covered Tie-down Hangar	520.3 m <sup>2</sup>
12	Covered Tie-down Hangar	390.2 m <sup>2</sup>
	Aircraft Tie-down Space - Grass	

A list of land sales:

Reference Number	Description of Business or Use	Lot Size
1	Hangar/Aircraft Maintenance/Aircraft Paint Facility	8,094 m <sup>2</sup>
5	Hangar	2,100 m <sup>2</sup>
8	Hangar	4,047 m <sup>2</sup>
20	Hangar/Aircraft Maintenance	8,094 m <sup>2</sup>

**Other Fees**

Various other fees are charged at the Airport for services provided by Airport staff and or equipment rental/use. Examples of charges in this category would be snow removal, generator rental, catering and equipment rental.

### **4.3 Land Lease and Sale Policy**

As a means to increase aviation business at the Airport and the direct economic impact generated by the Airport, Muskoka established a land sale policy in 2000 and has sold four (4) parcels. In accordance with the existing Transfer Agreement from Transport Canada (TC) until October 31, 2006, all land sales require the approval of TC. After that date, approval from TC will no longer be required. This will reduce the time required to complete the land sale process.

In accordance with the policy, land sales are only allowed for aviation related commercial or industry businesses. Any use must also be developed in accordance with applicable Federal, Provincial and/or Municipal requirements (e.g. zoning regulations, building permits, septic permits, etc.) and provide the necessary documentation to this effect.

Muskoka must also approve the placement of all buildings or structures on Airport property before any construction or installation occurs. On sites that are sold, it is a condition of the sale agreement that the authority having jurisdiction must approve or issue the applicable permits for buildings, structures, septic fields or wells.

This policy is due for review. It should also be noted that the Municipal Act and TC approval make a lengthy process. This policy should include greater guidance material for the sale and development of Airport lands.

#### **Land Sale Revenue**

The revenue generated from the sale of land at Muskoka Airport is placed into the Airport Capital Reserve Fund. If the land sales continue, consideration could be given to establishing a separate fund to be used to acquire additional lands or re-acquire lands previously sold should it become prudent to do so.

### **4.4 Capital**

The Airport Capital Budget Forecast is used to project costs to complete upgrades, improvements and investments in infrastructure. The Airport Capital Reserve Fund was created to assist in covering the cost of those projects. Ideally annual contributions to this fund should be at a level to finance 100% of capital projects required for the Airport operation or asset management. However, to fund 100% of the capital program at the current contribution level would require the issuance of debt. Staff are in the process of reviewing the 2006 Capital Budget and Forecast and will present sustainable and stable financing options for the consideration of Council.

The Capital Budget Forecast also includes the purchase of a new utility vehicle. This multi-purpose vehicle will be used to complete various tasks on the airfield, including field maintenance, aircraft tug, passenger and baggage transfer, and act as a back-up emergency vehicle.

## 5. INFRASTRUCTURE INVESTMENT

### 5.1 *Airport Operations*

Investments in this category deal with the overall operation of the Airport and maintaining or improving Airport assets and infrastructure.

#### Runway 18-36 - Asphalt

The main runway was overlaid in October 1994 just before the transfer and Transport Canada provided one time funding of \$50,000 for runway maintenance. With a regular crack-sealing program, that runway work was expected to remain viable for 10 to 15 years. Funding for major runway upgrading in the future was not included in the Airport reserve fund at that time since it was expected that it would be debentured.

In 2003 when the Muskoka Airport Marketing and Business Strategy was undertaken, it was noted that both the main runway and the grass strip were in reasonable condition. However, that review recommended that the capital budget include funds for a complete reconstruction of the runway. As a result of that study, the Capital Budget Forecast was updated to include the funds to undertake such a reconstruction in 2008. The forecast also included the construction of a parallel taxiway. Since the runway reconstruction could take several months to complete, the taxiway construction was scheduled for the two years prior to that so an alternate landing surface would be available for the use of the tenants during the reconstruction.

A specific engineering study respecting the runway condition was undertaken by Trow Associates Inc. in 2005 to determine a pavement rehabilitation strategy for the main runway. This review found that a complete reconstruction of the runway is not necessary. The complete analysis of the runway found the pavement condition to be fair to good. For this reason the parallel taxiway project has been eliminated from the 2006 Capital Budget Forecast.

Trow recommended a rehabilitation program for the existing runway and apron to meet the standards of the airline industry. This program included a continuance of the existing crack-sealing program for the next three years. It also recommended the removal of the 50' abandoned section of the runway and two programs to rehabilitate the runway in 2009. It would seem prudent that another assessment be completed at that time to determine an appropriate course of action.

The 2006 Capital Budget Forecast includes the continuance of the crack-sealing program over the next three years. It also includes an allocation for the re-painting of the lines following the crack sealing. In 2005, the runway was crack-sealed and the line painting was started. Due to the weather, the line painting was stopped. Completion of the line painting is scheduled for the spring of 2006.

#### Runway 09-27 - Turf

Three possible scenarios exist for the future of this runway; continue with current operations, pave the runway, or decommission the runway. This runway is of historical significance because it is one of the original runways at Muskoka Airport. Currently, light aircraft use this runway when the wind direction will not allow for landing on the main runway, and many aircraft owners prefer to use the turf instead of the asphalt. Current use of this turf runway is hindered because it requires maintenance, and it is not cleared in the winter.

The turf runway has not had any major maintenance since the District assumed responsibility. In order to maintain this runway new runway identification markers must be purchased in 2006. Pilots have commented that the surface is in rough condition and requires work. The Capital Budget Forecast has funds allocated to complete maintenance, including tilling the surface, compacting and reseeding.

The option of paving this runway would offer growth potential for the Airport. One of the target markets of the Airport is increased aircraft movements related to second homeowners, tourism visitors and recreational flyers. The majority of this market includes aircraft capable of landing on a runway that is 2000' in length. Paving this runway could offer Muskoka a viable alternative in certain weather conditions by turning both runways into four season operations.

To decommission this runway for future development is not recommended at this time. This runway offers pilots a viable alternative for landing in a variety of weather conditions. If this option were considered it would be advisable to complete an in-depth impact assessment. Decommissioning the runway could limit the growth potential for attracting one of our key markets.

### 5.1.3 Runway / Taxiway Lighting

The main runway at Muskoka Airport is fully lit with Medium Intensity Edge Lighting. This system also includes an Airport Lighting Power Centre, Precision Approach Path Indicators (PAPI), Airfield Directional Signs, Wind Direction Indicators (Windssocks), Aerodrome Rotating Beacon, Emergency Generator and all necessary cabling.

#### ***Medium Intensity Edge Lighting***

The runway is a medium intensity lighting system that is series conducted and fed with one circuit. In 2005, a number of required upgrades were completed to the edge lighting system following a Transport Canada audit in 2004.

North Bay Electrical Services also completed an inspection on June 8, 2004 of the runway lighting system. It was noted on this inspection that many of the existing fixtures needed some refurbishing. It was also recommended that more inspections be carried out and necessary repairs be completed.

Upgrades to this system have been included in the Capital Budget Forecast along with the replacement of the main cable in 2008.

#### ***Airport Lighting Power Centre (ALPC)***

The Airport Lighting Power Centre (ALPC) is a block structure located near the ATB. This building houses the Interruptible Power Unit (IPU), regulators, and the Aircraft Radio Control of Aerodrome Lighting (ARCAL) system for the field lighting. The exterior condition of this building is rated at fair to good. A new roof was installed in 2005 following a major windstorm, and repainting of the exterior is scheduled for 2006.

There are two regulators installed in the ALPC, a Siemens 7.5KW, and a Hevi-Duty 4KW. The Siemens unit carries the lighting circuit that includes the runway and taxiway edge lighting, aerodrome signs and windssocks. With addition of new signs and lighting over the past few years the regulator has been loaded past its normal operating levels. North Bay Electrical Services recommended that there was a need to see if load could be shed or upgrade the regulator.

The Hevi-Duty 4 KW regulator serves the PAPI lighting circuit. It was also recommended that this regulator be upgraded with a new 4 KW regulator over the next five years. The reason behind the change was age of the unit (reliability), and the replacement parts were now obsolete.

The ARCAL system is used for air to ground radio control of the field lighting. This style of ARCAL unit is no longer being manufactured. It was suggested that if the unit fails, to look at the newer style ARCAL unit.

All of these items should be addressed in the near future. An allocation for 2008 has been made in the Capital Budget Forecast to address all of these recommended changes, along with upgrades to the edge lighting and replacement of cables.

North Bay Electrical Services also recommended annual inspections on the building electrical systems.

***Precision Approach Path Indicators (PAPI)***

The PAPI system installed at the threshold of Runway 18 was installed in 1989. The system consists of a four unit system, three units are from one supplier and the fourth from another supplier (original unit was damaged beyond repair).

In 2005, new frost-free lenses were installed in all of the units. Previously the system was energized 24/7, this new lens allows the system to be turned off when it is not in use. The result has been a savings in electrical costs. Annual maintenance is carried out on all of these units.

***Wind Direction Indicators (Windssocks)***

Three windssocks are located at various locations on the airfield. After inspection it was recommended that the poles be replaced. This has been provided for in the 2006 Capital Budget Forecast and is scheduled for completion in 2008.

***Aerodrome Rotating Beacon***

On June 13, 2005, Varcon Inc. was engaged to complete an inspection of the Rotating Beacon at the Muskoka Airport. A report was issued on June 17, 2005 with the findings of the completed inspection and recommendations for remedial work.

All items related to safety were corrected immediately using funds from the 2005 Operating Budget. Generally, this included items such as signage, and maintaining the safety restraining equipment. Additional funds have been included in the 2006 Capital Budget to address the outstanding deficiencies. This will include items such as repainting the tower to meet code, addition of security features and upgrading or replacement of faulty electrical items.

Repainting has been scheduled for every five years in order to meet code and also to maintain this asset. Inspections should also follow the same schedule.

***Interruptible Power Unit (IPU) - Emergency Generator***

The diesel Interruptible Power Unit (IPU) is manufactured by Mechron Engineering and is rated at 15KW, 0.8 PF, 240/120V, single phase. This includes the fuel system, ventilation system, and automatic transfer switching. PMI Technology carried out an inspection of the IPU on July 9, 2004. A report was later issued which included deficiencies and recommendation to correct the deficiencies.

No action has been taken to upgrade the IPU, as the project has been awaiting the status of the Norwegian Canadian Memorial and Cultural Centre. Should this project not proceed, it is recommended that the deficiencies be corrected immediately. The IPU is tested on a monthly basis with annual inspections completed by PMI Technology.

***Cable***

In the report completed by North Bay Electrical Services on June 16, 2004, a complete inspection of the airfield electrical was completed. This inspection noted that Megger readings taken indicated that the insulation resistance of the cables was poor and technical repairs were required to upgrade them to standard. Complete replacement of the cable is recommended. This replacement has been included in the 2006 Capital Budget Forecast for completion in 2008, along with the other required electrical upgrades and the removal of the decommissioned asphalt.

### Auto Fuel Facility

Two in-ground automotive fuel storage tanks and associated pumps are located at the maintenance garage. One tank is used for regular unleaded fuel and services both Airport and lagoon fleet vehicles. The second tank is a diesel tank used to fuel Airport vehicles, which are not licensed for road travel.

No documentation has been found to indicate the age or condition of these two tanks. Further investigation is required in this regard. It has been recommended that in 2007 these tanks be replaced with above ground facilities.

### Groundside Signage

Presently, there is very poor groundside signage at the Airport. Many customers have commented on the trouble they have had finding the ATB and other tenants located on the airfield. The issue of signage is to be addressed in the Marketing Plan currently underway.

### ATB Upgrades

The ATB was originally built in 1968, and rehabilitated in 1986, 1999 and in 2002. The building is a one storey, pre-fabricated metal frame with brick and metal siding. The ATB is the operational hub of the Muskoka Airport and the gateway to the community for arriving visitors. This facility houses administrative offices, office rental space, a pilot lounge and communications equipment. This 37-year-old ATB requires many upgrades to bring the facility up to an acceptable standard.

In the Marketing and Business Development Strategy completed by KMB Aviation in 2003, the ATB was rated as fair. The Facility Condition Report completed by KMB can be found in that report. Greystone Project Management Inc. as a preliminary investigation for the Norwegian Canadian Memorial and Cultural Centre (NCMCC) also undertook a review of the facility. Both reviews found that this building requires new windows, a new roof, new insulation, a new mechanical system, and electrical repairs.

Renovations to the ATB have been put on hold for the past few years awaiting the status of the NCMCC. Funds for these renovations have been included in the 2006 Capital Budget Forecast for that project.

### Maintenance Garage

The Airport maintenance garage was constructed in 1952 with renovations carried out in 1974. The building is a one storey, wood truss metal building complete with six vehicle bays, a small office and washroom. In the 2003 report completed by KMB Aviation, it was noted that the overall condition of this facility was poor to fair. Further inspections have found that the electrical system does not meet electrical code, dry rot was observed, and heating is very expensive. The KMB report recommended that this facility be considered for replacement within the next two to four years. As a result of that report, the 2006 Capital Budget Forecast was updated to include the funds to undertake such a reconstruction in 2015.

### Storage Facility

The storage facility is attached to the maintenance garage and used for sand and equipment storage. This wood frame with metal siding building was constructed in 1982, and requires replacement. In 2003, KMB noted that this building did not meet structural building code, and recommended replacement. Replacing this facility has been scheduled for 2011 in the 2006 Capital Budget Forecast.

### Airport Manager's House

On Thursday January 20, 2005, an inspection of the Airport Manager's House was conducted to determine the current condition of the structure following the departure of the previous tenant and report to Committee.

Approximately \$23,600 was estimated at that time as being required to restore the structure to a marketable condition. A significant portion of this expenditure is a result of life cycle deterioration of specific building components or premature failure resulting from original construction methods. The balance of the expenditure is a result of tenant damage.

Long-term improvements in the amount of \$18,100 were also identified at that time for the consideration of the Committee. It was suggested that these improvements should be considered in the context of future lease proposals. As a result, the plumbing, heating and electrical systems have been temporarily decommissioned and winterized to reduce operating costs. The current state of the structure poses no risk of further damage.

Further review of this matter indicates that the present location of this house would not likely serve well as a restaurant for airside travellers. The ideal location for a restaurant on the airfield would be at the south end located within a short walking distance of the ATB. The possibility of demolishing the building to provide land for lease or sale in this location should be examined and considered.

### Main Apron

The September 1999 Muskoka Airport Master Plan, recognized the need for an expanded apron. Since that time, aircraft parking and ramp management has been an issue. With the sale of the Muskoka Aviation Centre (MAC), this issue must be addressed. It is recommended that the main apron be expanded to allow for current and future air traffic growth.

There has been a significant increase in both annual aircraft movements and the size of aircraft arriving at the Muskoka Airport over the last five years. Annual aircraft movements have increased from 12,408 movements in 2000 to 15,389 movements in 2005. There has also been an increase in the size of the aircraft; in particular jet traffic has increased from 536 jets in 2000 to 679 jets in 2005. A jet requires a larger parking space than smaller propeller aircraft. This level of jet traffic results in a reduced amount of parking space on the main apron. In addition, efforts to increase future traffic levels through marketing initiatives could result in a level of traffic that would force the Airport to close for short periods of time due to lack of available parking spaces on the main apron. Closure would be required to avoid being in violation of the Airport Zoning Regulations or the Airport Operating Certificate and to avoid a safety issue.

These parking concerns have not yet been addressed because of the availability of extra parking on the adjacent property. The Muskoka Aviation Centre (MAC) property lies to the south of the Air Terminal Building and has a large apron connected by a taxiway to the Airport apron. On several occasions apron congestion has forced overflow parking onto the taxiway and the MAC apron while this facility was not in operation. This option is no longer available with the sale of MAC facility. In addition, an access route to the facility must be kept open across the main apron at all times.

The proposed solution to this congestion is to increase the size of the main apron. It is recommended that the existing apron be extended north towards the property under lease to the Ministry of Natural Resources (MNR). An additional connecting taxiway would be required to the main runway at the most northerly extent of the expanded apron. The expanded apron must be constructed to the same standards as the main runway.

## **5.2 Fixed Base Operator (FBO) Operations**

Muskoka has operated the Imperial Oil Limited (IOL) Esso Branded Dealership since 1999. Council recently passed a resolution to remain as a branded dealer and to negotiate a new lease with IOL. A new above ground aviation refueling facility will be installed in the spring of 2006. This facility, including a tank farm will be designed to accommodate two product systems, Jet A-1 and Avgas 100LL. Each product will have a 45,000-litre single tank system installed. The new tank farm will be located on the airside of the Airport property on the south side of the main apron. The relocation of this system is being driven by future plans to redevelop the current land lease area for a proposed apron expansion in 2006. The relocation of these tanks will also require a reorganization of the service function in the ATB. This reorganization previously included in the 2005 Work Plan will include minor construction to remove walls and add doors to accommodate the relocation of offices as shown in Appendix "D" Terminal Building Layout.

The 2006 Capital Budget Forecast includes an allocation for site relocation, including electrical lines, security fencing and site lighting costs not covered by IOL.

## **5.3 Airport Development**

### Taxiway Extensions

Funds have been set aside to provide taxiway access to new developments. When a new taxiway is constructed, it is the tenant's responsibility to construct the taxiway on the leased or sold property.

### Land Development

A comprehensive plan is required for the development of the lands on the east side of the Airport. The 2006 Capital Budget Forecast includes funds to assist in the preparation of such a plan. The 10 Year Capital Budget Forecast will likely need to be updated once this plan is prepared.

### Obstacle Limitation Surface (OLS) Survey

As part of the ongoing airfield inspections program, it is necessary to ensure we are in compliance with the Airport Zoning Regulations to maintain our Airport Certification. A survey of this surface should be undertaken every six years.

## **6. SUMMARY**

### **6.1 Conclusion**

The premise under which Muskoka assumed the Airport remains valid today – the Airport contributes approximately \$31,318,305 to the Muskoka economy annually and also provides valuable transportation infrastructure. The benefits of the Airport are felt throughout Muskoka in terms of usage and/or spin off effects. Over the past five years there have been significant increases in both annual aircraft movements and the size of aircraft arriving in Muskoka.

The Muskoka Airport should continue to operate as it was initially envisioned, serving as a local commercial Airport, which effectively promotes and serves the social and economic needs of the District Municipality of Muskoka. Focus should be given to our two very distinct target markets of business development and aircraft movements. The best way to achieve this is to set goals and continue to develop strategies directed at excellence in performance and continuous quality improvement.

Challenging times lie ahead with the introduction of self-regulating industry; greater responsibility will be placed on Airport owners and operators to ensure compliance. The Muskoka Airport will be faced with the introduction of these new regulations, and requirements, resulting in increasing costs to maintain the Airport operation. Asset management will also be a key focus over the next ten years to ensure the long-term sustainability of the Airport.

### **6.2 Implementation**

Implementation objectives are set out below and should be used as a guide for the Airport operation and development activities in the next five years.

#### Airport Operations

1. Ensure compliance with Federal and other regulations.
2. Ensure facilities are maintained to a proper code.
3. Ensure preventative and routine maintenance of the Airport.
4. Improve existing facilities.

#### FBO Operations

1. Improve existing facility.
2. Ensure compliance with regulations.
3. Maintain quality control of product.

#### Airport Development

1. Promote good tenant relations.
2. Encourage business development.
3. Plan for future development of the Airport.

## **6.3 Action Items**

The following is a summary of the action items identified within this plan:

### Airport Operations

1. Expand the Main Apron.
2. Update Airport Emergency Plan.
3. Develop an Airport Wildlife Management Plan.
4. Improve groundside signage to identify ATB.
5. Complete necessary renovation to the ATB.
6. Install new runway identification markers for Turf runway. Retain grass runway.
7. Repaint Aerodrome Rotating Beacon in 2006.
8. Correct deficiencies to the Interruptible Power Unit.
9. Continue with annual maintenance on PAPI's.
10. Complete maintenance of Turf runway.
11. Continue with regular runway maintenance program.
12. Implement a Safety Management System program.
13. Remove in-ground automotive fuel storage tanks and lease one above ground tank for diesel fuel.
14. Remove 50' abandoned section of runway.
15. Address all replacement and upgrades to main runway electrical and lighting system.
16. Replace Wind Direction Indicators (Windssocks).
17. Improve groundside signage to better identify the Muskoka Airport.
18. Implement a five-year maintenance schedule for the Aerodrome Rotating Beacon.
19. Remove and replace the storage facility.
20. Complete engineering study for the main runway in 2008.
21. Complete necessary reconstruction of the maintenance garage.

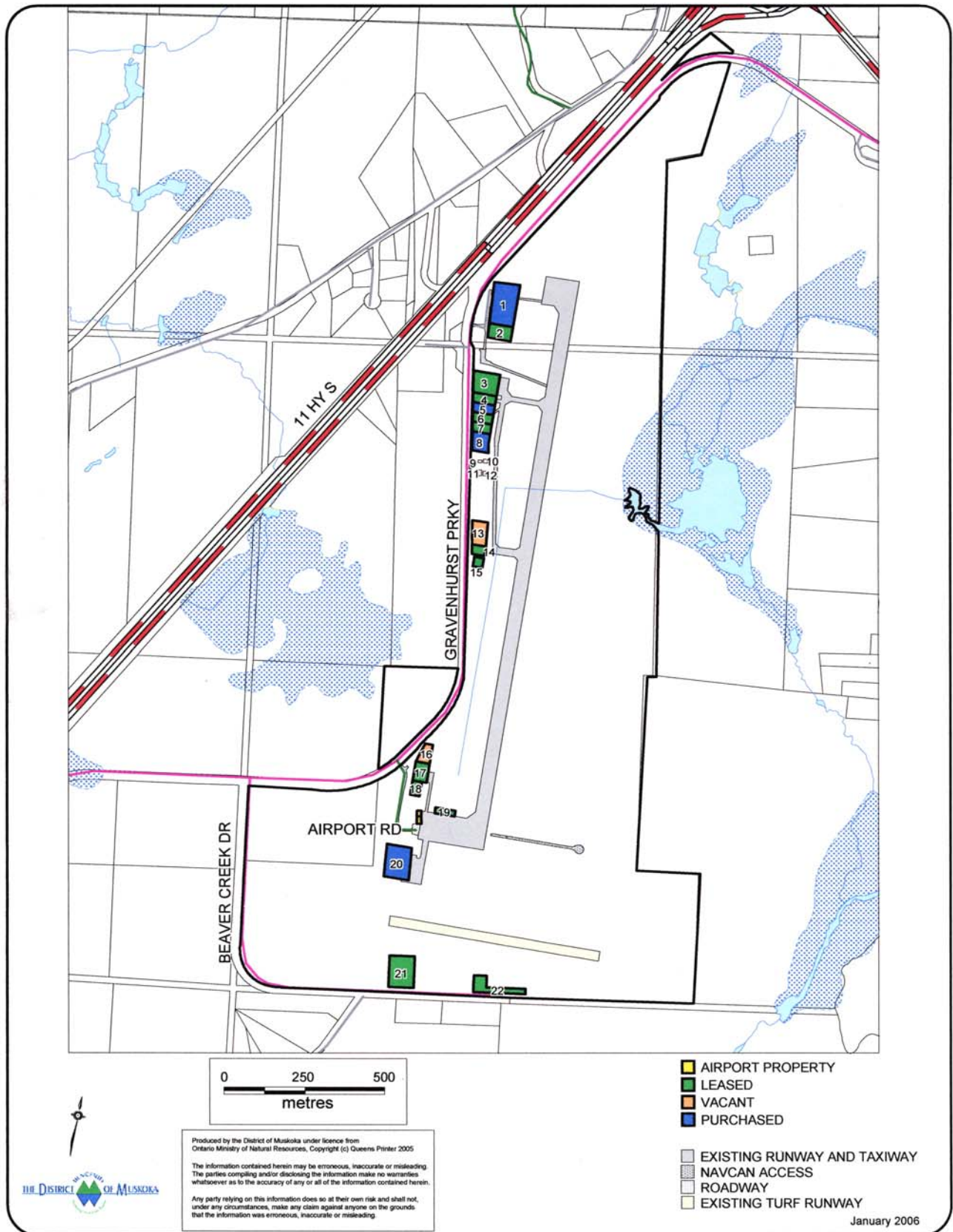
### FBO Operations

1. Work with IOL to remove the existing underground aviation fuel facility.
2. Work with IOL to install a new aboveground aviation fuel facility.

### Airport Development

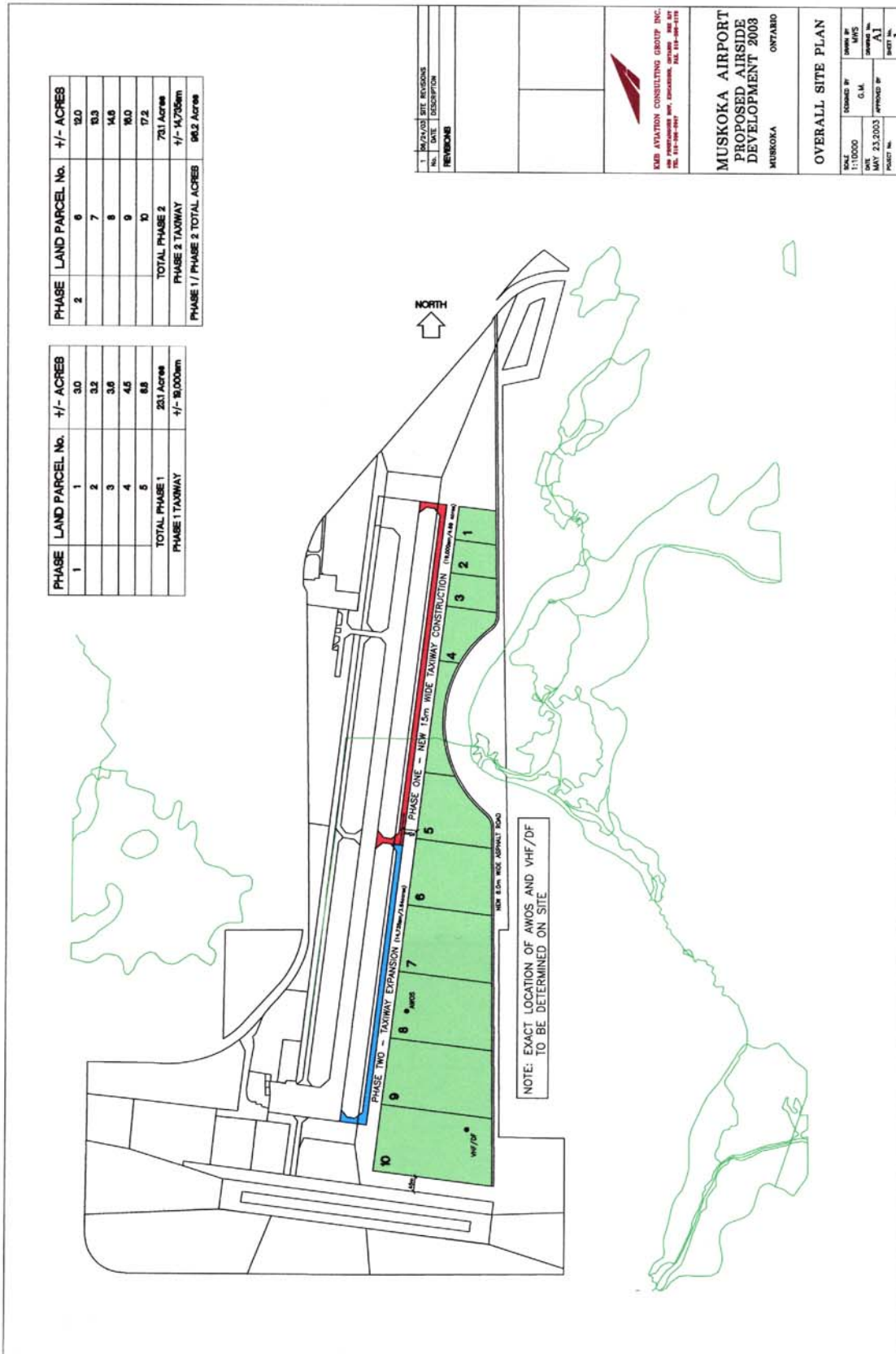
1. Complete a Development Plan for the Airport.
2. Complete Marketing Plan and implement recommendations.
3. Complete an OLS survey every six years.
4. Determine a correct course of action for the Airport Manager's House.

# Appendix "A" – Airport Property & Land Use





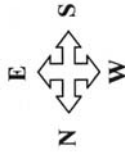
# Appendix "C" – KMB Aviation Proposed Land Use



1. REVISIONS	DATE	DESCRIPTION
REVISIONS		
<b>KMB AVIATION CONSULTING GROUP INC.</b> 1000 SHEPPARD AVENUE EAST, SUITE 200 MISSISSAUGA, ONTARIO L4X 1L7 TEL: 905-882-8877 FAX: 905-882-8878		
<b>MUSKOKA AIRPORT</b> PROPOSED AIRSIDE DEVELOPMENT 2003 MUSKOKA ONTARIO		
<b>OVERALL SITE PLAN</b>		
SCALE	DRAWN BY	DATE
1:10000	MHS	MAY 23, 2003
	G.M.	APPROVED BY
		A.J.
		SHEET 1

# Appendix "D" – Terminal Building Layout

## Muskoka Airport Terminal Building Layout January 20, 2006



\*\*\* DIAGRAM NOT DRAWN TO SCALE \*\*\*

