

# GOLDEN MUNICIPAL AIPORT: STRATEGIC AND TACTICAL PLAN

Final Report

March 1, 2021





# **Golden Municipal Airport: STRATEGIC AND TACTICAL PLAN Final Report**

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# 1 INTRODUCTION

## 1.1 Background

Golden Municipal Airport is owned and operated by the Town of Golden with financial operating support from the Columbia Shuswap Regional District (CSRD). In April 2020, the Town commissioned HM Aero Aviation Consulting (HM Aero) to complete an Economic Viability Study examining the current operation and future potential of Golden Airport.

The first deliverable of the Economic Viability Study was the October 8, 2020 Airport Assessment and Business Case Report. This report examined matters such as the current state of infrastructure and operations at Golden Airport, potential business opportunities, and actions required to support activity growth and the management of future revenues. Further, the study examined the potential closure and redevelopment of the Airport for an alternative highest and best use. The Airport Assessment and Business Case Report made four recommendations:

- 1) Golden Airport should continue to be operated as an aerodrome that serves the social and economic needs of the Town and Area A;
- 2) A Strategic and Tactical Plan should be prepared that considers matters such as a facility development and renewal plan; administrative and operational improvements; opportunities for funding and governmental support; and business development recommendations;
- 3) Supported by the Strategic and Tactical Plan, the Town should undertake modest and targeted improvements at the Airport to strengthen the facility's position as an economic driver and improve its social benefits; and
- 4) Strategic discussions should be initiated with the CSRD to establish a capital funding partnership that is consistent with the regional social and economic importance of Golden Airport and the Regional District's additional financial capacity.

On October 20, 2020, Golden Town Council received the findings of the Airport Assessment and Business Case Report and unanimously voted that Golden Airport should continue to be operated as an aerodrome, and that HM Aero should undertake the preparation of a Strategic and Tactical Plan to facilitate this direction.



**Runway 14-32 at Golden Airport**

## 1.2 Objectives

Consistent with the direction provided by Town Council in October 2020, the objectives of the Strategic and Tactical Plan are to:

- 1) Articulate forward-looking role and vision statements;
- 2) Identify a new model of governance that provides an opportunity for involvement by the CSRD, aviation stakeholders, key regional entities, and public members at large;
- 3) Develop a strategy for improving the Airport's maintenance that balances operational needs with other municipal priorities;
- 4) Identify the capital projects required to address aviation safety and regulatory compliance matters; rehabilitate assets; and facilitate business development;
- 5) Enumerate capital funding opportunities and strategies for increasing operating revenues;
- 6) Prepare a strategy for the continued involvement of the CSRD in funding the Airport's operating deficit, and expanded involvement in governance and capital investments;
- 7) Identify regional partnerships and steps to be taken to attract additional activity at the Airport; and
- 8) Develop a comprehensive strategy for implementing the recommendations related to the preceding objectives and monitoring progress.

The Strategic and Tactical Plan builds upon the detailed analysis and findings of the Airport Assessment and Business Case Report and should be considered alongside this document. The two documents are complementary in nature and the Strategic and Tactical Plan avoids duplication of information where possible.

## 1.3 Planning Approach

The planning approach that underlies the Strategic and Tactical Plan is worth noting. The project team acknowledges that the Town of Golden faces a situation encountered by similarly sized municipalities with airports across Canada, in that a significant number of competing infrastructure and operational funding priorities exist within the municipality, many of which are of equal or greater importance than the respective airport. While improvements to Golden Airport are required to ensure its future viability and improve its regional socioeconomic role, the recommendations made herein consider the Town's capacity to implement such directions given its financial and staffing resources.

The project team's focus is to assist the Town in implementing targeted and practical actions over the next ten years (2021-2030) that establish Golden Airport on a path for long-term viability. The Strategic and Tactical Plan does not attempt to rectify every deficiency related to the Airport over the current planning horizon – instead, its prioritized approach addresses the most pressing matters at hand to ensure a sustainable future for Golden Airport.

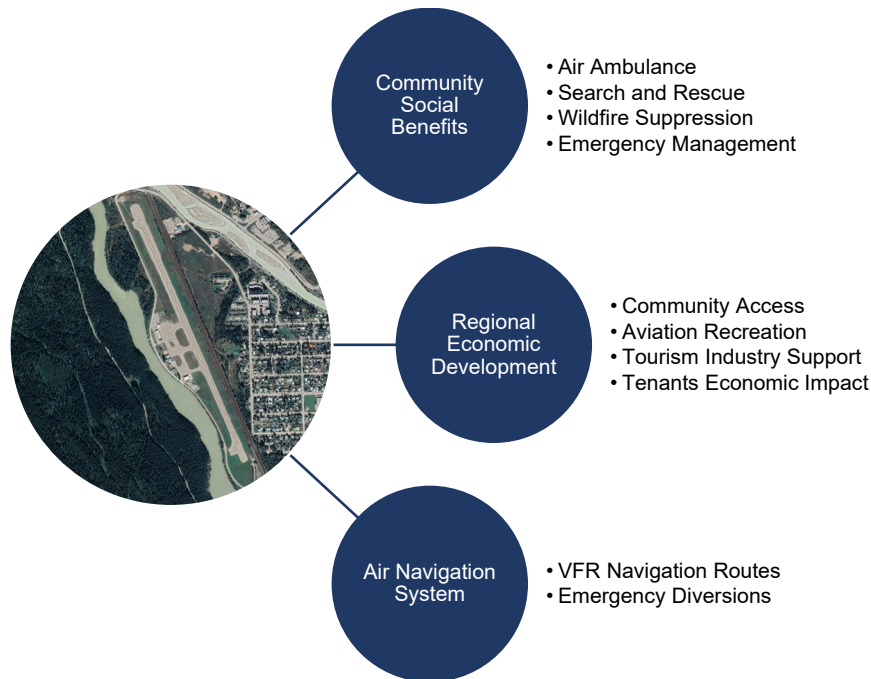


## 2 ROLE AND VISION STATEMENTS

The Airport Assessment and Business Case Report included a detailed analysis of the facility's current and future role. The role of Golden Airport is to support and provide:

- 1) **Community Social Benefits:** Golden Airport is an important social asset to the residents of Golden, Area A of the CSRD, and the broader region through its support of fixed-wing and helicopter air ambulance operations, wildfire suppression missions, Search and Rescue activities, and emergency management.
- 2) **Regional Economic Development:** Golden Airport's businesses and tenants provide direct, indirect, and induced economic benefits to the region. The Airport is critical to the existence of many parts of the local tourism sector and facilitates air access into and out of the community and region.
- 3) **Air Navigation System:** As part of Canada's air navigation system and given its location on two Visual Flight Rules air navigation routes, Golden Airport is an important planned and emergency landing location.

Figure 2.1 - Golden Airport Role



The Vision Statement provides a forward-looking foundation that define the ideals and aspirations for Golden Airport based on the priorities of Golden and the surrounding region. The vision statement is:

*Golden Airport will be a regional aviation service facility that meets the social needs of Golden and Area A while also serving as an economic development catalyst. The Airport will be a responsibly managed facility with a focus on safety, financial sustainability, collaborative relationships, and targeted investments.*

## 3 GOVERNANCE

Governance is defined as the exercise of authority, direction, and control of an organization to ensure a defined purpose is achieved. In terms of an airport, a governance structure is further defined by how decisions affecting the development and operation of the facility are made and which party or parties provide the required financial support. The Town of Golden Council is the governance body responsible for all decision-making pertaining to Golden Airport, with support from the recommendations of the Chief Administrative Officer. The Airport Assessment and Business Case Report identified limitations with respect to the current governance model which are addressed herein.

### 3.1 Governance Models

A range of governance models have been implemented by airports across Canada, each with varying advantages, disadvantages, levels of municipal control, and complexity. Considering the characteristics of Golden Airport, this report considers the following governance models:

- The Town absolving itself of its governance responsibilities through the sale of the Airport;
- Continued governance by Town Council (status quo);
- Governance by Town Council accompanied by the formation of a select or standing committee; and
- The establishment of an Airport Commission.

Golden Airport is not a financially self-sustaining entity, in that the facility requires annual subsidies from the Town and CSRD to fund its operating deficit. While opportunities exist to increase the operating revenues of the Airport, it is not anticipated that the facility will become financially self-sustaining within the ten-year horizon of the Strategic and Tactical Plan. Accordingly, the governance review does not contemplate models that typically require the subject airport to be financially self-sufficient; namely, not-for-profit and independent:

- Airport authorities, such as the Vancouver International Airport Authority and Prince George Airport Authority;
- Airport development corporations, such as the Sault Ste. Marie Airport Development Corporation; and
- Airport societies, such as the Terrace-Kitimat Airport Society and Pitt Meadows Airport Society.

As well, the permanent closure of Golden Airport was previously considered through the Airport Assessment and Business Case Report. The closure of the facility is not considered as a governance model with Town Council having voted to continue to operate the Airport in October 2020.

### **3.1.1 Airport Sale (No Governance Role)**

The sale of Golden Airport to a private third-party absolves the Town of its governance obligations, with the purchaser assuming ownership and operational responsibilities. Assuming the purchaser continues to make Golden Airport available for public use and maintains the facility to ensure its operational viability, regional social and economic benefits may continue to be realized without the active involvement of the Town. Similarly, the outright sale of the Airport would largely eliminate the Town's financial obligations.

Despite its potential benefits, this model of governance (i.e., non-involvement) has numerous risks and disadvantages. By absolving itself of its ownership of Golden Airport, the Town of Golden risks:

- The purchaser closing Golden Airport in the future, thereby eliminating the regional social and economic benefits provided by the facility;
- The facility being operated or developed in a manner that does not represent the public interest, such as the implementation of a prohibitively expensive rates and fees structure or limiting the Airport to private use only;
- The Airport not being maintained to standards desired by the Town (e.g., limited pavement repairs); and
- The purchaser seeking temporary or ongoing grants from the Town if a viable business case cannot be realized.

In the Canadian context, several recent case studies demonstrate the implications of municipalities selling community and regional airports. In 2020, the Town of Ponoka sold Ponoka Industrial Airport to the non-profit Ponoka Flying Club for \$385,000 to decrease its operational responsibilities and financial obligations. However, as part of the sale agreement, the Town entered a five-year grant funding agreement, contributing \$20,000 annually (\$100,000 over five years) to the Flying Club to offset part of the facility's operating costs. The Ponoka case study demonstrates that while the sale of an airport may immediately reduce the municipality's involvement and financial burden, ongoing financial support may be necessary to attract a buyer, at least in the short-term.

The Town of Collingwood's sale of Collingwood Regional Airport to Winterland Developments Ltd. in 2019 for \$4.1 million represents a fee simple sale without the requirement for ongoing operating contributions. However, it is premature at the time of this report's preparation to determine whether the purchaser (Winterland Developments) will continue to operate Collingwood Airport into the future.

### **3.1.2 Town Council (Status Quo)**

As described previously, Town Council is the governing body for Golden Airport. Matters pertaining to the Airport are raised to Council for decision on an as-required basis by the Chief Administrative Officer. With respect to the Airport, Council meeting agenda items are typically established on an as-required basis in response to emerging matters (e.g., lease renewals, capital projects). Airport matters are only examined on a routine basis through the annual municipal capital and operating budget establishment processes.

As examined through the Airport Assessment and Business Case Report, the historical governance of Golden Airport by Town Council has generally been effective as few major matters have emerged requiring attention by Council. Governance by Town Council is well-suited to preserving the status quo of the Airport when there are minimal decisions to be made; however:



- The CSRD is not involved in the governance of Golden Airport despite financially contributing to the operating costs of the facility – and as recommended in Section 6.1.6, potentially capital expenses;
- Town Councillors, while possessing a wide range of skills and knowledge, do not necessarily have expertise in airport operations, development, and management; and
- No mechanism exists for the formal involvement of Airport tenants, businesses, and regional stakeholders beyond making delegations or representations to Council.

The Airport Assessment and Business Case Report identified numerous business development opportunities, operational improvements, and capital projects that are recommended to ensure the future viability of Golden Airport and improve its socioeconomic role. The current, largely ad hoc, governance of the Airport may represent a limitation as the Town pursues a more active approach to the facility's growth and development.



**Golden Town Council Chambers**

### 3.1.3 Town Council and Airport Committee

The third model is a modified version of the status quo governance of Golden Airport by Town Council, in which a committee of Council is formed with the mandate of addressing the Airport's operation, growth, and development. The *British Columbia Community Charter*, in Sections 141 and 142, permits municipalities to establish standing and select committees of Council, the key features of which are summarized in Table 3.1.

**Table 3.1 - Standing and Select Committee of Council**

	Standing Committee	Select Committee
Purpose	Address <u>ongoing</u> matters and provide recommendations to Council	Undertake a <u>specific, finite task</u> and provide recommendations to Council
Decision-Making Entity	Town Council	Town Council
Composition	At least half of the committee members must be Councillors	At least one committee member must be a Councillor
Non-Council Appointees	Eligible	Eligible

In this model, all binding decisions regarding Golden Airport would continue to be made by Town Council as a whole. However, the Airport Committee would regularly meet to examine matters relating to the facility and raise matters for decision to Council on a proactive basis. The advantages of this governance model include:

- The establishment of a dedicated body with the mandate of making recommendations for Golden Airport;
- The ability to nominate individuals beyond Town Councillors to the committee, such as representatives from the CSRD; regional businesses and economic stakeholders; Airport tenants and users; and the general public;
- Airport issues being examined on a routine basis (e.g., monthly, bimonthly, or quarterly) as opposed to an ad hoc or reactive manner; and
- The establishment of an Airport Committee is not complex relative to other governance models, and the Town has experience in forming both select and standing committees.

However, a standing or select Airport Committee would be limited to an advisory role and would have no decision-making authority in and of itself, as all matters would continue to require Council approval. Appointments to the Airport Committee would have to be carefully considered to ensure that the required skillsets are available and that a single interest group does not dominate the committee's priorities. As well, active involvement would be required from all Airport Committee members to ensure that it fulfills its mandate.

#### **3.1.4 Airport Commission**

Section 143 of the *British Columbia Community Charter* permits the formation of commissions to operate services and manage municipally owned property. In this model, Golden Airport's governance would be the responsibility of a group of individuals appointed by the Town with the mandate of overseeing the management, planning, and development of the facility. While a future Golden Airport Commission would require the approval of its annual operating and capital budgets from Town Council and would report to Council on a semi-regular basis, such an organization would have a higher degree of autonomy in its decision-making within the confines of the mandate and Terms of Reference established by the Town. This decreases the workload of Town Council and ensures that an organization exists to "champion" the Airport's future.

The primary advantage that could be realized through the establishment of a commission is the ability to appoint members with specific skills and knowledge of value to Golden Airport – for example, members with expertise in airport operations, marketing, finance, business management, etc. The formation of an Airport Commission is also an opportunity to ensure that the wide range of organizations with interests in Golden Airport can be represented, such as the Town, CSRD, Tourism Golden, tenants, aircraft operators, and the community at large. While the value of an Airport Commission lies in the expertise of its appointed members, this also presents a degree of risk if qualified and motivated individuals cannot be secured. Despite this risk, the establishment of an Airport Commission would allow Council to delegate authority for Airport decision-making, with some exceptions, and the Commission would report to Council on a semi-regular basis to ensure accountability and transparency. Accordingly, this model forms part of the Airport Governance Strategy described below.

Examples in the British Columbia context include the South Cariboo Regional Airport Commission and Anahim Lake Airport Commission, which are responsible for two airports owned by the Cariboo Regional District.

## 3.2 Airport Governance Strategy

Based on the analysis above, a new model of governance is required for Golden Airport to resolve the disadvantages of the current structure. In the long-term, the formation of a Golden Airport Commission represents the most appropriate model of governance, given:

- The increased decision-making authority of such a commission;
- The ability to accommodate numerous parties with stake in, or knowledge of, the Airport, such as the Town, CSRD, Airport tenants and users, regional organizations, and the public at large;
- The establishment of an entity with the express purpose and mandate of implementing the recommendations of the Strategic and Tactical Plan, ensuring Golden Airport's viability into the future, and improving regional social and economic benefits; and
- The existence of provisions in the *British Columbia Community Charter* to permit the formation of such an entity.

The development of the Golden Airport Commission is recommended to occur through two phases, as described below and shown in Figure 3.1:

### 1) Golden Airport Committee (Select Committee of Council)

In the short-term, following the receipt and adoption of the Strategic and Tactical Plan by Town Council, it is recommended that a select committee of Council be formed (the Golden Airport Committee). As described in Section 3.1.3, a select committee can be formed to undertake a specific, finite task and provide recommendations to Council. It is understood that the establishment of a permanent governance structure will likely require further work by the Town. However, a common pitfall faced by municipalities is that an implementation gap develops upon the receipt of an airport study. The timely establishment of a short-term Golden Airport Committee to implement the early stages of the Strategic and Tactical Plan may assist in overcoming this hurdle.

The mandate of the Golden Airport Committee would be expected to involve, at a minimum: 1) implementing the 10-Year Action Plan articulated in Section 9.1; 2) establishing a permanent Golden Airport Commission; and 3) commencing work on securing capital grant funding.

The approach of establishing an interim committee has been used by the City of Lethbridge following their recent acquisition of Lethbridge Airport from Lethbridge County. A committee of Council was established to provide oversight and guidance for Lethbridge Airport with the goal of transitioning to a permanent Airport Commission or Airport Authority. The Airport Committee, in its Terms of Reference, was established to be a time and purpose-limited entity and can be likened to a select committee of Council in the British Columbia model.

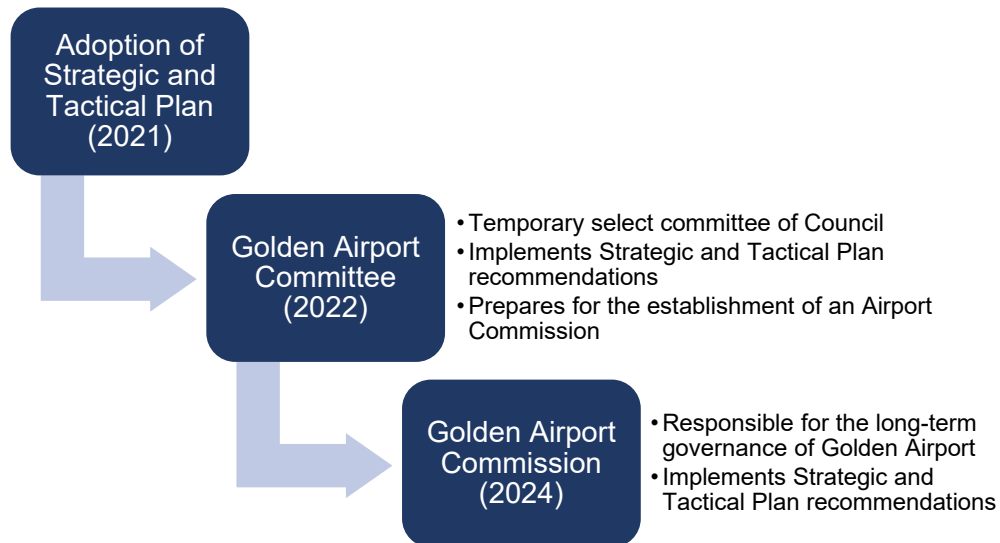
### 2) Golden Airport Commission

Based on the work and findings of the Golden Airport Committee, the Town of Golden and its partners can establish a long-term governance system for Golden Airport. The primary focus of the Golden Airport Commission would be to establish a viable future for Golden Airport in the long-term based on the findings of the Airport Assessment and Business Case Report and the Strategic and Tactical Plan.



The involvement of the CSRD in the interim Golden Airport Committee and long-term Golden Airport Commission is a matter of significant strategic importance to achieve other priorities identified in this Plan. An Intergovernmental Cooperation Strategy is presented in Section 7 to serve as a preliminary guide to involving the CSRD in a future governance model of Golden Airport.

**Figure 3.1 - Governance Implementation Strategy**



In both phases, membership on the respective governing body could include, at a minimum: the Mayor and one or more members of Town Council; the CSRD Area A Director; one or more aviation representatives (e.g., an Airport tenant or aircraft operator); and one or more representatives from the regional business community (e.g., Tourism Golden, Kicking Horse Mountain Resort). It is recommended that the Chief Administrative Officer, Manager of Operations, and other Town Staff be assigned to support both the Airport Committee and Airport Commission as required.

## 4 ADMINISTRATION, OPERATIONS, AND MAINTENANCE

The administration, operation, and maintenance of Golden Airport by the Town can have direct impacts on the facility's success and level of service for tenants and users. A balance must be established between improving the level of service of the Airport's operations and maintenance while not significantly increasing its operating expenses or detracting from other municipal priorities, based on the availability of finite Town resources.

### 4.1 Administration

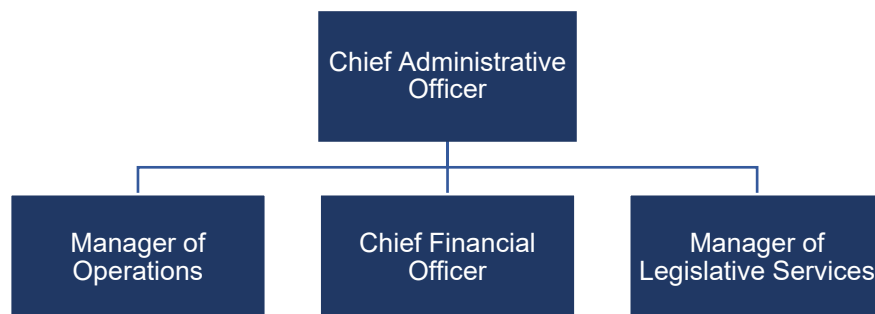
#### 4.1.1 Analysis

As shown in Figure 4.1, a dedicated Town Staff position specifically assigned to the oversight of Golden Airport (i.e., an Airport Manager) does not exist. Instead, administrative oversight of the Airport is delegated across four positions:

1. **Chief Administrative Officer (CAO):** Golden Airport is ultimately the responsibility of the CAO who functions as the Airport Manager. The CAO reports to Town Council and makes recommendations on priorities and the direction of the Airport.
2. **Manager of Operations:** The Manager of Operations oversees the maintenance of Golden Airport by the Town Operations and Public Works Department and contracted service providers. In practice, this position can be likened to that of an Airport Operations Manager.
3. **Chief Financial Officer:** The Chief Financial Officer is responsible for the Airport's financial statements, operating budget, and capital budget.
4. **Manager of Legislative Services:** The Manager of Legislative Services oversees all lease and rental agreements at Golden Airport.

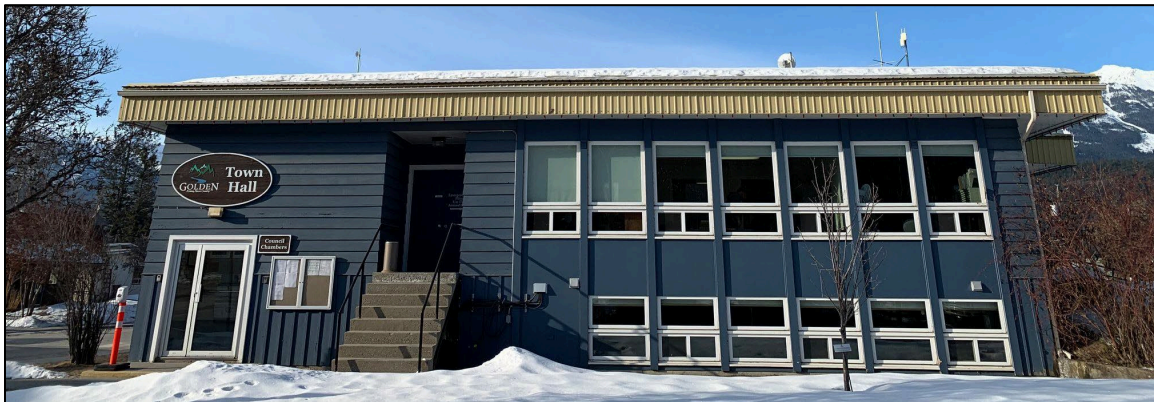
With the CAO functioning as the Airport Manager and the Manager of Operations as the Airport Operations Manager, the Town has effectively filled two key positions of a typical airport administrative structure without creating and funding dedicated staff positions for such roles. Consultations with senior Town Staff indicate that this administrative structure is generally effective at maintaining the status quo of Golden Airport, given the limited daily tasks associated with overseeing the facility.

Figure 4.1 - Airport Organizational Chart



The Airport Assessment and Business Case Report included a fulsome analysis of the administration of Golden Airport which identified four primary deficiencies:

1. The amount of time each previously noted individual can dedicate to the Airport is limited by their numerous competing priorities and lack of residual capacity;
2. While each Town Staff member has considerable expertise in their respective field (e.g., municipal administration, finance, etc.), in-house knowledge of airports may be lacking;
3. The delegation of responsibilities across the four positions can create an unclear understanding of the Airport's primary point of contact for external parties; and
4. The Airport's future business development efforts may be hindered by the lack of a Town Staff position championing the facility's priorities.



Golden Town Hall

#### 4.1.2 Administration Strategy

Recommendations for overcoming the deficiencies regarding the administration of Golden Airport identified in the Airport Assessment and Business Case Report and restated in Section 4.1.1 are summarized in three categories:

##### Aviation Knowledge

Over time, Town Staff responsible for administering the Airport have developed knowledge within their respective areas of responsibility. For example, the Manager of Operations has developed the capacity to effectively lead their department in airside winter maintenance operations as resources permit, while the CAO has a growing knowledge of regulatory requirements for registered aerodromes. Barring the hiring of an individual with aviation expertise for an Airport Manager position, the focus instead becomes the empowerment of Town Staff through airport training and ongoing development.

First, aviation industry associations can represent a valuable source of knowledge on emerging regulatory requirements, grant funding opportunities, training opportunities, and best practices more generally. Involvement in three organizations which may offer value to the Town of Golden is recommended:

1. **British Columbia Aviation Council (BCAC):** The BCAC's mission includes encouraging the growth and advancement of aviation and aerospace in British Columbia, and its membership includes numerous community airports across the Province. The Town of Golden became a BCAC member in 2020.



2. **Alberta Airport Managers Association (AAMA):** While based in Alberta, the AAMA is primarily comprised of airport operators and may offer value to the Town through the sharing of operations and maintenance best practices.
3. **Regional Community Airports of Canada (RCAC):** The RCAC is a national organization dedicated to promoting the viability of community airports like Golden.

Second, the Town has been proactive in retaining aviation consulting services on an as-required basis to fill gaps in organizational knowledge. This is a common practice at comparable airports across Canada and is recommended to continue where required.

Lastly, for the two positions with the most direct involvement in the administration of the Airport (the CAO and Manager of Operations), the permanent departure of either individual would result in a loss of organizational knowledge and represents a risk. Accordingly, the development of an Airport Operations Manual is recommended in 2022 to formally document matters such as:

- The Airport's administrative structure and organizational responsibilities;
- The specifications of the Airport's infrastructure assets, airside facilities, and services; and
- Operational processes and levels of service for routine maintenance, winter snow and ice control, and other activities.

### **Staff Capacity and Airport Champion**

The challenges related to the amount of time that Town Staff can dedicate to administering the Airport and the question of who will champion the Airport's priorities in future business development efforts are anticipated to be accentuated during the implementation of the 10-Year Action Plan articulated in Section 9.1. Tasks such as grant funding pursuits, the implementation of major capital projects, business development, and the creation of a new governance structure for the Airport will have varying levels of effort for Town Staff, in addition to their existing workloads.

Understanding that the majority of senior Town Staff are currently operating at or near their workload capacity, and that the Town Staff members that administer Golden Airport have responsibilities largely in alignment with their core competencies, the opportunity to shift select Airport oversight tasks to other Town Staff was not identified. Accordingly, improving the capacity of Town Staff in administering and championing the Airport can occur through:

- The hiring of a new Town position dedicated to administering the facility;
- The use of supplemental external resources in select tasks (e.g., Tourism Golden), such as business development; and / or
- Contracting a private third-party to administer the Airport.

Both the hiring of a new Town position and the contracting of a third-party administrator would increase the operating expenses of Golden Airport, negatively impacting the facility's financial sustainability. In the short-term, neither option is recommended until progress is made on improving the facility's financial performance and in implementing the 10-Year Action Plan. In the future, a dedicated Airport Manager position filled either by Town Staff or a contracted party may be considered – ideally, this position would also be responsible for operations and maintenance.

The opportunity to leverage the resources of other regional organizations potentially aligned with the Town's goals and objectives is described further in Section 8.1.

## 4.2 Operations and Maintenance

### 4.2.1 Analysis

The daily maintenance and operations of Golden Airport is the responsibility of the Town Operations and Public Works Department, including routine tasks such as grass cutting and snow removal. Contracted service providers are engaged on an as-required basis for tasks such as pavement repairs; line painting, vegetation, and wildlife management; and general contracting. The Airport Assessment and Business Case Report identified opportunities for improvement with respect to the facility's level of service insofar as operations and maintenance is concerned, which is addressed in this section.

Three models are considered in the evaluation:

- 1) Town operations and maintenance – status quo level of service;
- 2) Town operations and maintenance – improved level of service; and
- 3) Contracted operations and maintenance.

#### **Town Operations and Maintenance – Status Quo Level of Service**

The Operations and Public Works Department is responsible for the operation and maintenance of Golden Airport. Staff and equipment are not dedicated solely to Airport functions and instead are assigned on an as-needed basis, considering the availability of resources and competing priorities. The advantage of this model is that Town Staff and mobile equipment are generally well-utilized throughout the year across a wide variety of tasks and roles, which is typical of smaller municipalities such as Golden.

The limitations of this model and associated Airport level of service challenges are most evident in the winter months. Per the 2017 Snow Clearing and Sanding Policy, Golden Airport is the lowest priority asset for clearing within the Town. This can temporarily restrict operations by delaying aircraft arrivals and departures and was a recurring theme during consultations with aircraft operators.

#### **Town Operations and Maintenance – Improved Level of Service**

In the second model, the Operations and Public Works Department continues to be responsible for the daily operation and maintenance of Golden Airport, aside from tasks outside of the Town's expertise that require the use of contracted businesses. The primary differentiation from the status quo is that an Airport maintenance and level of service policy would be adopted by the Town and implemented by the Operations and Public Works Department – specifically, the focus of this policy would be on improving the winter maintenance level of service during snowfall events.

From consultations with Town Staff, it is understood that the Operations and Public Works Department operates at or near its capacity throughout the year. Snowfall events that require the deployment of winter maintenance equipment and operators frequently result in Town Staff logging overtime hours and working more than 10 hours per day. Accordingly, the Airport's winter maintenance level of service can be improved in two ways in a scenario where the Town continues to be responsible for such activities:

- 1) The capacity of the Operations and Public Works Department is unchanged and the priority of the Airport is increased in the Snow Clearing and Sanding Policy with an accompanying decreased priority for other municipal streets; or
- 2) The capacity of the Operations and Public Works Department is increased through the hiring of additional municipal equipment operator(s) and the procurement of new mobile equipment.

While both options can improve the winter maintenance of Golden Airport, both scenarios come with trade-offs. In the former case, residents, and businesses elsewhere in the municipality will experience a decreased winter level of service. In the latter case, the municipal operating and capital budgets must be increased to account for the additional staffing and equipment required. Given the numerous other capital outlays recommended in this Plan, the financial and level of service implications of both scenarios may challenge the municipality's fiscal resources and political will.



**Town of Golden plow truck at Golden Airport**

### **Contracted Operations and Maintenance**

The third model commonly implemented by community airports in Canada is for operations and maintenance services to be contracted to a private third-party through a competitive procurement process. The contracted service provider would be responsible for a wide range of Airport maintenance and operation tasks, such as winter maintenance, inspections, maintaining infrastructure assets, and other tasks as defined by the Town in its contract provisions. As noted in Section 4.1.2, this could include serving the role of the Airport Manager.

Numerous municipally owned airports across Canada contract out operational and maintenance activities. Larger municipal airports may retain the services of dedicated airport operation and management firms such as The Loomex Group and Vantage Airport Group. Conversely, contracted service delivery models at smaller facilities such as Revelstoke Airport and South Cariboo Regional Airport may only require the private entity to provide one or two employees.

Benefits of contracting out daily operational and maintenance roles include the ability to engage the services of an entity with airport experience and knowledge, and the decreased number of responsibilities required of Town Staff and ability to reassign resources previously used by the Airport to other municipal priorities. However, a challenge with implementing a contracted service delivery model is that the private third-party's financial proposal must integrate a profit margin, as well as potentially the capital costs of acquiring the mobile equipment required to fulfill the contract if not already owned. Additionally, a degree of effort by the Town will continue to be expended in administering the contract and ensuring the stipulated level of service is provided. Accordingly, while costs incurred by the Town in maintaining Golden Airport could decrease in this model, a detailed financial analysis would be required to verify whether this truly represents a more cost-effective approach.

#### **4.2.2 Operations and Maintenance Strategy**

##### **Town Operations and Maintenance**

In the short-term, the recommended approach to Airport operations and maintenance is the continued use of Town Operations and Public Works Department resources. Town Staff responsible for this role have attempted to maximize the level of service provided within the limits of available personnel and equipment, competing municipal priorities, and in-house knowledge of airside operations and maintenance. In this model, winter maintenance level of service challenges can be expected to continue; however, it will take both political will and the allocation of sufficient financial resources to overcome this matter.

If an improved level of service is required to support an emergent business opportunity, such as charter air carrier services, the Town may consider the following prioritized options:

- 1) Increasing the Airport's priority in the Town Snow Clearing and Sanding Policy;
- 2) Contracting winter maintenance to a private business; and
- 3) Procuring new mobile equipment and hiring additional Town Staff to increase the capacity of the Operations and Public Works Department.

As noted in Section 4.1.2, without an emergent business opportunity in the interim that would warrant such improvements, the establishment of an Airport Manager position that is also responsible for operations and maintenance is not recommended until progress is made on improving the facility's financial performance and in implementing the 10-Year Action Plan. This staffing decision could be made at the end of the planning horizon of the 10-Year Action Plan, as the Town establishes its new priorities through a review and update of the Strategic and Tactical Plan.

##### **Contracted Services**

With respect to contracted services, the project team's review of service contracts over the past five years did not result in the identification of significant issues requiring rectification. From consultations with Town Staff and in the opinion of the project team, the Town is appropriately retaining the services of qualified businesses to complete key tasks to maintain Golden Airport, such as line painting, pavement crack sealing, and updating the Town-sponsored Instrument Flight Procedure.

A degree of daily operational responsibility has been devolved by the Town to East Kootenay Fuel Sales through its multi-year "Airport Ambassador" service contract. East Kootenay Fuel Sales is responsible, for an annual fixed fee, for recording aircraft movement data, providing runway surface condition reports, and for assisting itinerant pilots as the need arises (e.g., by directing aircraft to parking areas, fuel facilities, etc.). The Airport Ambassador service contract was noted by the project team to be a significant strength which has resulted in the provision of accurate Airport utilization data and the full-time presence of a point of contact at the facility. It is recommended that the Airport Ambassador role continues to be funded in the future, until such a time as a full-time Town or contracted Airport administrator position is established.

## 5 FACILITY DEVELOPMENT PLAN

### 5.1 Introduction

The Airport Assessment and Business Case Report included a detailed assessment of all infrastructure assets of Golden Airport. Based on this assessment, additional research completed by the project team, and a review of the regulatory obligations for registered aerodromes enumerated in the *Canadian Aviation Regulations* (CARs), recommended capital projects and a Facility Development Plan are presented below. The Facility Development Plan, presented in Figure 5.1, has been prepared to guide the systematic improvement of Golden Airport's capital assets over the next ten years.

#### Planning Approach

The prioritized focus of the Facility Development Plan is to ensure the Airport's future viability through:

- 1) Projects addressing aviation safety and regulatory compliance;
- 2) Rehabilitation projects that ensure the continued availability of core assets; and
- 3) Select targeted projects that facilitate business development.

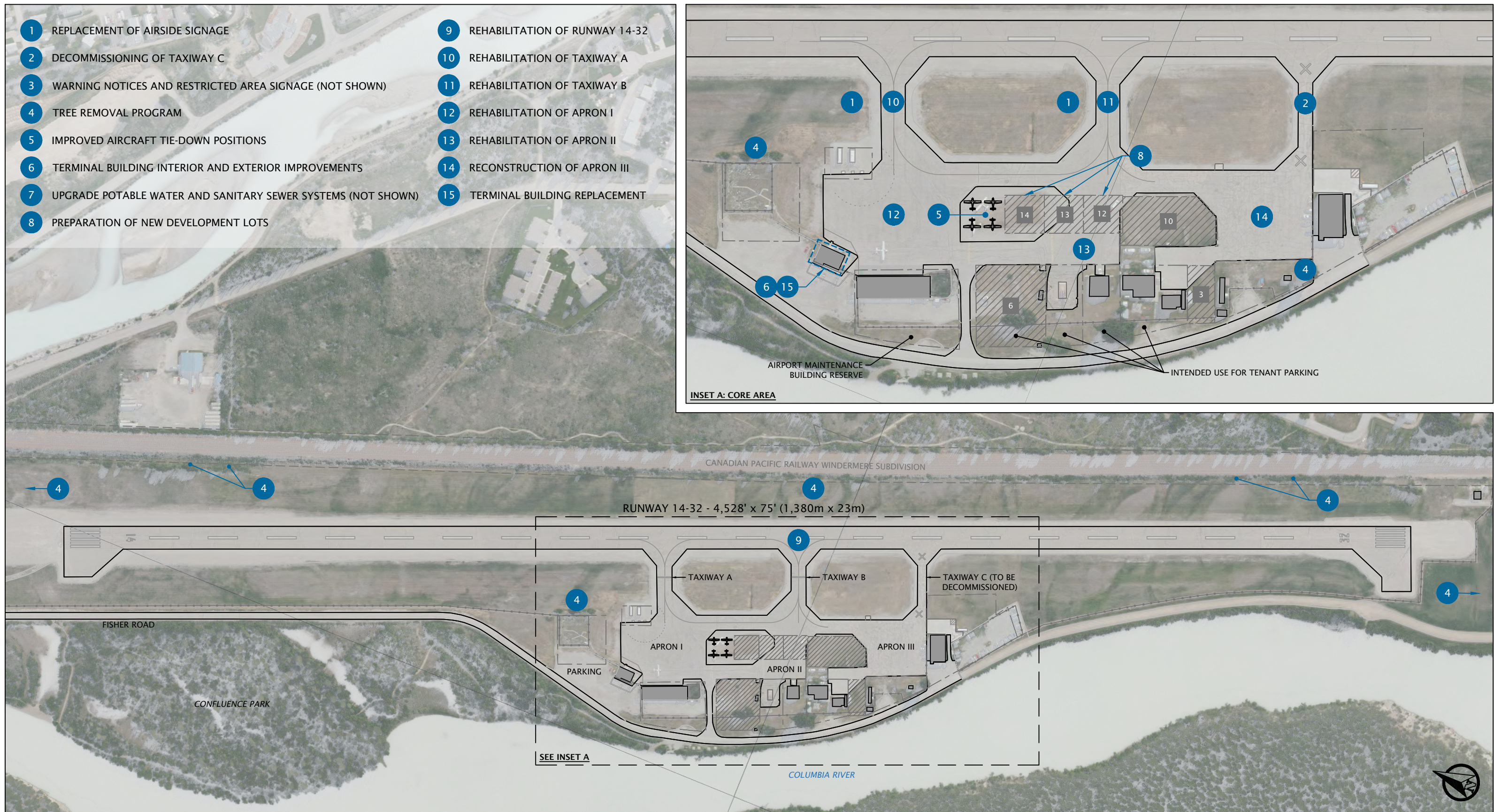
In keeping with the intent of the Strategic and Tactical Plan, the Facility Development Plan does not include every possible project that could be undertaken to improve the operations of Golden Airport. Select projects, such as the installation of lighting and improvements to the perimeter fence, for example, may offer benefits – however, the considerable number of competing capital priorities within the next ten years and the limited financial resources and implementation capacity of the Town necessitates a pragmatic and focussed approach. The recommended review and update of the Strategic and Tactical Plan in 2030 is an opportunity to evaluate the progress made on the projects presented herein and to identify additional opportunities to grow and develop the Airport.

#### Use and Interpretation

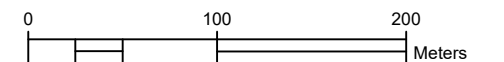
While Golden Airport is a registered aerodrome and is not required to comply with the standards imposed on certified airports, it is recommended that future improvements to the airside system (e.g., airside surface rehabilitations, visual navigation aid replacements) be completed per Transport Canada's *TP312 – Aerodrome Standards and Recommended Practices (5<sup>th</sup> Edition)*.

The designs and cost estimates provided in the Facility Development Plan are at the preliminary level of detail. Specific requirements and more detailed cost estimates will be developed through subsequent design phases.





GOLDEN MUNICIPAL AIRPORT  
STRATEGIC AND TACTICAL PLAN  
**FIGURE 5.1 - FACILITY DEVELOPMENT PLAN**  
MARCH 2021





## 5.2 Airside System

### 5.2.1 Runway

#### Rehabilitation of Runway 14-32

Runway 14-32 was originally constructed in 1974 and was subsequently extended in 1991 and 1993. Runway 14-32 is deemed to be in poor to fair condition with an estimated remaining service life of 5 to 7 years before major rehabilitation is required, assuming crack sealing efforts continue<sup>1</sup>. Accordingly, the rehabilitation of Runway 14-32 is recommended in 2026 or sooner. The rehabilitation strategy will be dependent on a future geotechnical investigation; however, it is expected that the project will include milling and repaving, as well as localized crack repairs and potentially granular material improvements.

**Table 5.1 - Runway Capital Projects**

Recommendation	Year	Preliminary Cost Estimate *
Rehabilitation of Runway 14-32	2026	\$1,770,000
* All costs are in Canadian Dollars adjusted for inflation. Costs incurred by Town Staff are not accounted for in project estimates.		



**Runway 32 threshold**

### 5.2.2 Taxiways

#### Rehabilitation of Taxiways A and B

Taxiways A and B are deemed to be in fair condition with estimated remaining service lives of 7 to 10 years. The rehabilitation of Taxiways A and B is recommended in 2027 or sooner. Pending a future geotechnical investigation, it is expected that both taxiways will require milling, repaving, and localized crack repairs, and granular improvements.

<sup>1</sup> The asset condition ratings in this section are based on the project team's visual inspections completed in July 2020 in support of the Airport Assessment and Business Case Report.

## Decommissioning of Taxiway C

The Airport Assessment and Business Case Report found that Taxiway C has likely exceeded its useful service life, with the asset observed to be in poor condition. Taxiway C is limited by its width to general aviation aircraft such as the Cessna 172 and serves Apron III which is primarily used for helicopter operations. Given the poor condition of Taxiway C and availability of Taxiways A and B, Taxiway C is recommended to be decommissioned in 2021 to decrease operational and rehabilitation costs to the Town. This project is expected to include:

- 1) Notifying Airport tenants and aircraft operators;
- 2) Issuing a Notice to Airmen (NOTAM);
- 3) Notifying NAV CANADA to update all appropriate aeronautical publications;
- 4) Removing taxiway paint markings and signage; and
- 5) The addition of closure markings per CAR 301.04.

**Table 5.2 - Taxiway Capital Projects**

Recommendation	Year	Preliminary Cost Estimate
Decommissioning of Taxiway C	2021	\$5,000
Rehabilitation of Taxiway A	2027	\$88,000
Rehabilitation of Taxiway B	2027	\$94,000



**Apron II and aircraft tie-down area (right)**

### 5.2.3 Aprons

#### Rehabilitation of Aprons I, II, and III

Apron I is deemed to be in fair condition with an estimated remaining service life of 5 to 7 years. Apron II was observed to be in poor condition with an estimated remaining service life of 2 to 5 years. Apron III is in very poor condition and has reached the end of its useful service life. Crack sealing should continue to be completed by the Town to delay the degradation of each apron.

The rehabilitation of Aprons I and II is recommended in 2027 or sooner and is expected to include milling and repaving, as well as localized crack repairs. Apron III is expected to require full-depth reconstruction as opposed to rehabilitation, which is also recommended in 2027 or sooner. Geotechnical investigations will be required to confirm the specific rehabilitation / reconstruction requirements of each apron.

The rehabilitation of Aprons I and II should be done in a manner that is consistent with the configuration of the recommended new development lots shown in the Facility Development Plan.

**Table 5.3 - Apron Capital Projects**

Recommendation	Year	Preliminary Cost Estimate
Rehabilitation of Apron I	2026	\$313,000
Rehabilitation of Apron II	2027	\$232,000
Reconstruction of Apron III	2027	\$407,000

#### 5.2.4 Visual Navigation Aids

##### Replacement of Airside Signage

Airside guidance signs are provided at the intersections of Taxiways A and B with Runway 14-32, which are constructed with metal faces and mounted on non-frangible u-channel posts. During HM Aero's site visit in July 2020, several signs were observed to be damaged and generally are undersized, hindering their readability for aircraft operators. Additionally, the existing signs are not frangible which would accentuate the damage to aircraft in the event of a collision. The installation of new non-illuminated Mandatory Instruction signs and Aerodrome Traffic Frequency signs at the intersections of Taxiways A and B with Runway 14-32 is recommended in 2021.

**Table 5.4 - Visual Navigation Aid Capital Projects**

Recommendation	Year	Preliminary Cost Estimate
Replacement of Airside Signage	2021	\$15,000



**Damaged (left) and undersized (right) airside signage**



### 5.2.5 Obstacle Environment

#### Airport Tree Removal Program

The obstacle environment of Golden Airport was analyzed by HM Aero in October 2020 in support of the Aerodrome Attestation Process for Instrument Flight Procedures prescribed by Transport Canada and NAV CANADA. During this review, numerous penetrations to the Approach and Transitional Obstacle Limitation Surfaces were identified, including several areas of vegetation on and in the vicinity of the Airport.

While the removal of non-compliant vegetation will not address all Obstacle Limitation Surface penetrations identified in October 2020, doing so is recommended in the interest of aviation safety and to demonstrate that the Town is undertaking steps, where feasible, to improve the facility. It is recommended that a tree removal program be undertaken in 2021 that will include trees and vegetation:

- Within the Airport perimeter;
- North of the Runway 14 threshold, adjacent to Fisher Road; and
- South of the Runway 32 threshold, along the municipal service road.

**Table 5.5 - Obstacle Environment Capital Projects**

Recommendation	Year	Preliminary Cost Estimate
Airport Tree Removal Program	2021	\$20,000

## 5.3 Airport Support Services

### 5.3.1 Terminal Building

#### Terminal Building Interior and Exterior Improvements

The terminal building is a single storey structure that was built in 1992 and is used by the NAV CANADA contracted weather station, East Kootenay Fuel Sales, Skydive Extreme Yeti, and visiting pilots. The 2016 Facility Condition Assessment and 2020 Airport Assessment and Business Case Report identified several building envelope issues requiring minor maintenance by the Town. These tasks should be actioned by the Town under the purview of responsible asset management to extend the lifespan of the facility in the short-term. Additionally, the interior and exterior of the terminal would benefit from aesthetic improvements to improve its image as a gateway to Golden. This could include:

- The removal of old aeronautical publications and notices;
- Refreshed painting and exterior improvements;
- Removing dated furniture and adding new pieces;
- The installation of new signage, branding, and up-to-date contact information; and
- Improved landscaping around the building.

This project could be an opportunity for input and cooperation from Tourism Golden and the Kicking Horse Chamber of Commerce to market regional tourism opportunities, local businesses, and to implement destination branding initiatives.



## Terminal Building Replacement

The 2016 Facility Condition Assessment concluded that the overall condition of the terminal building was good and estimated the remaining lifespan of the facility to be at least 20 years (2036 or later). Following a visual review of the building envelope and interior in July 2020, HM Aero concurs with the findings of the 2016 Facility Condition Assessment. Replacement is recommended in 2036, at the end of the facility's useful lifespan.

It is assumed that the future terminal building will be of a size and type similar to that of the existing structure. Additionally, the services provided by the future terminal building are not expected to change, that being:

- Supporting the NAV CANADA contracted weather office;
- Providing administrative space to Town Staff and tenants, including a potential future Airport Manager; and
- Serving as a base for pilots.

Future functions required of the terminal building can be identified in the recommended 2030 update to the Strategic and Tactical Plan and during the design phase in the long-term planning horizon, based on the actual needs of Golden Airport at that time.

**Table 5.6 - Terminal Building Capital Projects**

Recommendation	Year	Preliminary Cost Estimate
Terminal Building Interior and Exterior Improvements	2022	\$40,000
Terminal Building Replacement	2036	\$570,000



**Terminal building viewed from Apron I**

### 5.3.2 Instrument Flight Procedures

#### Instrument Flight Procedure Feasibility Study

Golden Airport's Instrument Approach Procedures are a strength of the facility and improve access during Instrument Meteorological Conditions. In the Airport Assessment and Business Case Report, two concerns commonly noted by aircraft operators with respect to Golden Airport's Instrument Flight Procedures were:

- 1) The high Minimum Decision Altitudes and Minimum Visibilities of the three RNAV (GNSS) Instrument Approach Procedures; and
- 2) The lack of a Standard Instrument Departure procedure.

Opportunities may exist for improved Instrument Approach Procedures (e.g., Localizer Precision with Vertical Guidance procedures) and for the implementation of Standard Instrument Departure procedures. An Instrument Flight Procedure Feasibility Study, including a survey of the surrounding obstacle environment, is recommended to be completed in 2025, which would address:

- The improvement in annual Airport availability that could be realized based on historical local weather data;
- Requirements from Transport Canada and NAV CANADA to support improved Procedures (e.g., the Airport's obstacle environment and physical dimensions);
- Constraints to implementing improved Procedures and mitigation measures; and
- The costs of improving the Airport's Instrument Flight Procedures and next steps.

The findings of the Instrument Flight Procedure Feasibility Study will enable the Town, in consultation with NAV CANADA and other stakeholders, to make an informed decision on future Instrument Approach Procedure and Standard Instrument Departure requirements. If opportunities for improvement are identified that may be feasibly implemented, such projects can be undertaken in the medium or long-term planning horizons.

**Table 5.7 - Instrument Flight Procedure Capital Projects**

Recommendation	Year	Preliminary Cost Estimate
Instrument Flight Procedure Feasibility Study	2025	\$50,000

### 5.3.3 Aircraft Support Services

#### Aircraft Tie-Downs

Due to their weight and aerodynamic characteristics, general aviation aircraft are susceptible to movement in periods of high winds which can result in damage. Jet-wash and prop-wash from larger aircraft maneuvering at the Airport also has the potential to move parked general aviation aircraft. Accordingly, the provision of appropriately sited and equipped tie-down positions will help Golden Airport maximize the use of its existing airside facilities, minimize the potential for aircraft damage, and removes a barrier to aircraft operators staying in Golden for extended periods of time.

Itinerant general aviation pilots that park at Golden Airport typically restrain their aircraft at a series of tie-down positions located in the gravel / grassed area between Aprons I and II. Concrete-filled tires with embedded metal rings are provided for pilots to affix restraints to. While this arrangement offers a base level of service to itinerant aircraft:

- The tie-down area was observed to be overgrown and unmaintained, limiting the ability for pilots to identify tie-down points;
- Tie-down positions were haphazardly located leading to the inefficient use of the tie-down area; and
- Concrete filled tires may not provide sufficient weight to restrain general aviation aircraft in high wind conditions. The Cessna 172 Pilots Operating Handbook, for example, recommends that each tie-down line should have a tensile strength of 700 lbs.

Based on the foregoing, the installation of permanent three-point (tail and wing) tie-down positions is recommended in 2022 based on the layout shown in the Facility Development Plan. It is also recommended that paint markings and / or signage be installed to identify the location of the tie-down area to improve apron management.

**Table 5.8 - Aircraft Support Service Capital Projects**

Recommendation	Year	Preliminary Cost Estimate
Improved Aircraft Tie-Down Positions	2022	\$20,000

#### **5.3.4 Airport Maintenance Building**

Section 4.2.2 indicates that the project team does not recommend the dedication of Town or contractor resources solely for the operation and maintenance of the Airport within the 10-year horizon of this Plan, unless a sufficiently significant business opportunity emerges that would require such a presence. If site-based Airport maintenance staff are required in the future, a maintenance building would be required to house mobile equipment and support basic maintenance activities. Accordingly, while the construction of an Airport maintenance building is not recommended through this Plan, sufficient land is reserved for such a function on the western portion of Lot 7, subject to a future lease adjustment.

## **5.4 Groundside System, Utilities, and Servicing**

### **Airport Warning Signage**

CAR 301.05 requires that warning notices be posted where low-flying or taxiing aircraft are likely to be hazardous to pedestrian and / or vehicle traffic. CAR 301.08 states that no person shall walk, drive, or otherwise operate at an aerodrome without permission from the aerodrome operator. It is recommended that warning signs be installed in 2021, including:

- Low-flying aircraft warning notices on Fisher Road, the Confluence Park parking lot, and at the service road under the Runway 32 approach; and
- Restricted area signage at regular intervals along the perimeter fence and at all vehicle and person gates.

### **Potable Water and Sanitary Sewer Upgrades**

Golden Airport is connected to the municipal potable water and sanitary sewer systems via a two-inch water service line and two-inch sewer main. From consultations with Town Staff, the residual capacity of both the water service line and sewer main prevents new on-Airport development and the absorption of leasehold lots.

It is recommended that a potable water, sanitary sewer, and fire suppression servicing study be completed in 2022 to identify the specific requirements to support new Airport development. Based on the findings of this study, it is recommended that the Airport potable water and sanitary sewer lines be upgraded in 2023 to enable subsequent development. It is expected that the cost estimate of the upgrade project will be refined based on the findings of the 2022 servicing study.

**Table 5.9 - Groundside System Capital Projects**

Recommendation	Year	Preliminary Cost Estimate
Warning Notices and Restricted Area Signage	2021	\$10,000
Potable Water, Sanitary Sewer, and Fire Suppression Servicing Study	2022	\$30,000
Upgrade Potable Water and Sanitary Sewer Systems	2023	\$814,000

## 5.5 Development Lots

### Preparation of New Development Lots

Following the upgrading of potable water and sanitary sewer systems, new development lots can be prepared by the Town and offered for lease to prospective tenants. As shown in the Facility Development Plan and Table 5.10, three existing lots and up to three new lots can reasonably be established at the Airport. It is recommended that these lots be serviced and prepared for development by the Town in 2024, including the clearing, grubbing, and grading of each lot.

In discussions with the Town, consideration was requested as to the use of the western extents of the leasehold lots located past the Airport perimeter fence (i.e., the groundside areas). Limited land is available for subdivision and development as a new use; accordingly, two options are contemplated:

- 1) Tenants may have the option of relocating and replacing the perimeter fence, at their cost, to fully encompass their leasehold lots, removing the airside / groundside divide; or
- 2) Tenants shall be directed to park their personal vehicles in the groundside area of their lots, as opposed to driving airside unless required for an operational purpose.

Upon the preparation of new leasehold lots, the Town may consider creating design guidelines to outline options and expectations for proper and orderly development on the Airport property.

**Table 5.10 - Current and Future Development Lot Inventory**

Lot	Area (m <sup>2</sup> )	Notes
Existing Lots		
3	646	<ul style="list-style-type: none"> <li>Recommend location for potential future Golden and District Search and Rescue facility expansion</li> </ul>
6	2,325	<ul style="list-style-type: none"> <li>May be subdivided into two 1,162 m<sup>2</sup> lots</li> </ul>
10	1,829	<ul style="list-style-type: none"> <li>No groundside access</li> <li>May be subdivided into two 915 m<sup>2</sup> lots</li> </ul>
Recommended New Lots		
12	605	<ul style="list-style-type: none"> <li>No groundside access</li> <li>Lots can be consolidated into two 908 m<sup>2</sup> lots or one 1,815 m<sup>2</sup> lot</li> </ul>
13	605	
14	605	

**Table 5.11 - Development Lot Capital Projects**

Recommendation	Year	Preliminary Cost Estimate
Preparation of New Development Lots	2024	\$112,000



## 6 FINANCIAL MANAGEMENT STRATEGY

The Financial Management Strategy for Golden Airport considers capital funding opportunities to reduce the financial burden placed on the Town in implementing the recommendations of the Facility Development Plan, as well as methods through which operating revenues can be increased to improve the Airport's financial sustainability.

### 6.1 Capital Funding

The infrastructure deficit of Golden Airport and future capital projects relating to business development represent a significant financial challenge to the Town of Golden. The capital funding strategy considers opportunities to overcome this challenge through grant opportunities from the federal and provincial government and the implementation of an intergovernmental capital funding agreement with the CSRD. At the request of the Town, commentary is also provided on private involvement in funding capital projects.

#### 6.1.1 British Columbia Air Access Program

The British Columbia Air Access Program (BCAAP) is administered by the Province of British Columbia's Ministry of Transportation and Infrastructure, with the goal of supporting communities and enhancing the long-term potential of BC's aviation sector. The priorities of BCAAP include maintaining safe and reliable airports, improving environmental performance, providing economic benefits, and supporting air ambulance and wildfire suppression operations. BCAAP funding has been accessed by a range of comparable facilities across BC, with five case studies provided in Table 6.1.

**Table 6.1 - BC Air Access Program Examples**

Airport	Funding	Funded Works
Shuswap Regional Airport	\$520,000	<ul style="list-style-type: none"><li>Relocate and upgrade taxiway</li></ul>
Castlegar Airport	\$1,000,000	<ul style="list-style-type: none"><li>Apron and taxiway rehabilitation</li></ul>
Fairmont Hot Springs Airport	\$17,000	<ul style="list-style-type: none"><li>Airport hazard beacon</li></ul>
Nelson Airport	\$159,000	<ul style="list-style-type: none"><li>Apron expansion and rehabilitation</li><li>Automated entrance gate</li><li>Perimeter fencing repairs</li></ul>
Trail Airport	\$65,000	<ul style="list-style-type: none"><li>Automated Weather Observation System</li></ul>

Golden Airport is an eligible applicant as it is in BC, serves no scheduled air carrier passengers, and is a public use facility. BCAAP allocations are based on the type of project, and the Province's share of project costs will not exceed:

- 75% for airside projects (e.g., runways, taxiways) and core aviation infrastructure (e.g., hazard beacons);
- 60% for transitional projects (e.g., terminal buildings, fencing and gates);
- 50% for groundside projects (e.g., vehicle parking areas); and
- 75% for climate/environmental projects (e.g., greenhouse gas audits).

Based on a preliminary review by the project team, several of the capital projects recommended within the Strategic and Tactical Plan are well-suited to the terms of the BCAAP. As with all grant opportunities, eligibility for the BCAAP does not guarantee that the Town will be successful in its funding pursuit. Further, given the number of airports in BC potentially competing for BCAAP funding, it is recommended that the Town carefully prioritizes the projects submitted for consideration.

### 6.1.2 Investing in Canada Infrastructure Program

The Investing in Canada Infrastructure Program (ICIP) is part of the Government of Canada's Investing in Canada Plan, with multiple goals including ensuring that Canadians have access to modern, reliable services that improve their quality of life. The ICIP is a \$33B program delivered through bilateral agreements with the provincial and territorial governments. BC's portion of the ICIP was announced in April 2018 with a total of \$4.1B to be allocated over the following ten years, approximately half of which has been allocated as of October 2020.

Five funding eligibility streams are established through the program. Of relevance to Golden Airport is the Rural and Northern Communities stream, which includes investments in aviation infrastructure in small and / or remote communities. ICIP funding has been awarded at airports such as Moose Jaw, Gore-Bay, and Hornepayne, as summarized in Table 6.2.

Up to 50% of the costs of Rural and Northern Communities stream projects are eligible for federal funding. However, as Golden's population as of the 2016 census was under 5,000 people, projects may be eligible for up to 60% federal funding. Additionally, provinces are required to cost share on municipal projects at a minimum of 33% of eligible costs. Therefore, projects at Golden Airport could be eligible for up to 93% of expenses subject to further detailed review of the ICIP requirements.

**Table 6.2 - Investing in Canada Infrastructure Program Projects Examples**

Airport	Funding	Funded Works
Moose Jaw Municipal Airport (2020)	Federal: \$1.2M Provincial: \$1.0M	<ul style="list-style-type: none"> <li>Runway rehabilitation and extension</li> <li>Taxiway rehabilitation</li> <li>Apron expansion</li> <li>Improved airfield lighting</li> <li>New groundside access road</li> </ul>
Gore-Bay Manitoulin Airport (2020)	Federal: \$2.5M Provincial: \$1.4M	<ul style="list-style-type: none"> <li>New terminal building</li> <li>New helipad</li> <li>Runway extension</li> <li>Security enhancements</li> </ul>
Hornepayne Airport (2020)	Federal: \$2.9M Provincial: \$1.6M	<ul style="list-style-type: none"> <li>Runway rehabilitation</li> <li>Runway lighting replacement</li> <li>New fuel tank</li> </ul>

### 6.1.3 Gas Tax Fund

The federal Gas Tax Fund (GTF) is a permanent source of funding that is allocated to provincial governments twice per year, which in turn administer the distribution of the funds among municipalities. The annual allocation of the GTF is approximately \$2B, which is used to support around 4,000 annual projects. In British Columbia, the Union of British Columbia Municipalities (UBCM) administers the GTF on behalf of the provincial government, with the most recent agreement having taken in effect in 2014 for a ten-year horizon to 2024. The Town of Golden's allocation of the GTF, which is calculated on a per capita basis, is as follows:

- 2021-22: \$221,076;
- 2022-23: \$221,076; and
- 2023-24: \$231,065.

Local and regional airports are one of the 18 GTF project categories accessible to the Town of Golden through the Community Works Fund. Based on the UBCM's GTF program guidelines, this includes construction projects that enhance airports and are accessible year-round, such as improving, rehabilitating, or developing:

- Aeronautical infrastructure, such as runways, taxiways, aprons, and terminals; and
- Non-aeronautical infrastructure, such as parking lots, groundside roads, and commercial or industrial activities.

Examples of airport projects funded in BC by the GTF are included in Table 6.3. The Town of Golden currently applies the GTF for a number of projects such as roadway improvements and the Kicking Horse River dike upgrade.

**Table 6.3 - Gas Tax Fund Project Examples**

Airport	Funding	Funded Works
Bella Coola Airport (2018)	\$60,000	<ul style="list-style-type: none"><li>• Hangar capacity improvements</li></ul>
Shuswap Regional Airport (2018)	\$8,963	<ul style="list-style-type: none"><li>• Taxiway improvements</li></ul>
Smithers Regional Airport (2018)	\$2.9M	<ul style="list-style-type: none"><li>• Terminal building modernization</li></ul>

### 6.1.4 Columbia Basin Trust

The Columbia Basin Trust (CBT) was formed in 1995 to improve the social, economic, and environmental well-being of the Columbia River Basin, which was significantly affected by the Columbia River Treaty. Golden is located within the Columbia Basin Trust's operating region.

A series of grant programs have been developed by the CBT, one of which is the Community Development Program which is intended to address community challenges and opportunities. Eligibility for the Community Development Program is determined by the CBT at its discretion, with examples of eligible project types including:

- Strategic, broadly-supported projects that address community challenges or take advantage of unique opportunities that have significant positive impacts on Columbia River Basin communities;
- Capital projects, such as the construction or renovations of facilities and assets; and
- Community-based research and planning projects.

A review of past projects funded by the CBT, as shown in Table 6.4, indicates that the Community Development Program could be beneficial to Golden Airport in funding new capital infrastructure and in supporting plans, demand studies, and business development initiatives. Given that the focus of the CBT is to afford benefits to regional communities, it is expected that the justification for projects relating to Golden Airport would primarily need to be associated with its social and economic roles. Accordingly, CBT funding could be used for projects to improve the availability of Golden Airport for air ambulance, SAR, and wildfire operations through initiatives such as winter maintenance equipment or improved Instrument Flight Procedures.

Further consultation will be required with the CBT to investigate the opportunities of the Community Development Program, given the broad scope and purposes of the funding opportunity.

**Table 6.4 - Columbia Basin Trust Project Examples**

Airport	Funding	Funded Works
Trail Regional Airport (2018)	\$1.0M repayable grant	<ul style="list-style-type: none"> <li>New terminal building</li> </ul>
Creston Valley Airport, BC (2012)	\$100,000	<ul style="list-style-type: none"> <li>New emergency services building</li> </ul>
Golden Airport (GADSAR) (2012)	\$25,000	<ul style="list-style-type: none"> <li>New headquarters for GADSAR</li> </ul>
Cranbrook Airport (2011)	\$197,000	<ul style="list-style-type: none"> <li>Delta Airlines air service revenue guarantees</li> </ul>
Revelstoke Airport (2008)	\$7,500	<ul style="list-style-type: none"> <li>Air travel demand study</li> </ul>
Cranbrook Airport (2001)	\$30,000	<ul style="list-style-type: none"> <li>Airport expansion study</li> </ul>

### 6.1.5 Resort Municipality Initiative

The Town of Golden is one of 14 resort municipalities that are eligible to participate in the Resort Municipality Initiative (RMI) through the BC Ministry of Tourism, Arts, and Culture. Funding through the RMI is intended to be used to build and diversify tourism infrastructure. Specifically, the RMI is used to fund projects with one or more of the following key outcomes:

- Increased resort activities and amenities;
- Increased visitation and visitor activity;
- Increased private investment;
- Increased employment in the community;
- Increased tourism contribution to the local economy;
- Increased municipal tax revenue; and
- Diversification of municipal tax base and revenue.

The current Town of Golden Resort Development Strategy is applicable from 2019 to 2022 and outlines the RMI funding priorities for that period. A weakness noted in the Resort Development Strategy is the lack of air transportation to Golden, with the threat of highway closures also noted as a limitation. Town investments in select initiatives at Golden Airport can accomplish several of the above-noted RMI aims, including the facilitation of increased visitation, employment, and municipal tax revenues. During the preparation of the next Resort Development Strategy, it is recommended that Airport projects recommended through the Strategic and Tactical Plan be considered for RMI funding.

The 2015-2017 City of Revelstoke Resort Development Strategy is one example of RMI funding being used for airport projects. In this document, the City of Revelstoke assigned \$100,000 of RMI funding to partially fund terminal building and navigation aid improvements.

#### **6.1.6 Intergovernmental Funding Cooperation**

The CSRD has not historically been involved in funding capital investments in Golden Airport. As described in detail in Section 7, future lifecycle asset rehabilitation and replacement projects will strain or exceed the fiscal capacity of the Town of Golden, necessitating the involvement of the CSRD through a shared funding agreement. While the grant opportunities described previously represent significant opportunities for Golden Airport:

- The pursuit of grant funding is not guaranteed to be successful;
- Grant programs can be discontinued according to the priorities and financial abilities of their funders; and
- The balance of the project cost not funded through the given grant remains the responsibility of the Town and for larger capital projects, may still challenge the municipality's fiscal capacity. For example, up to approximately \$1.3M of the \$1.7M project cost for the rehabilitation of Runway 14-32 could be funded through the BCAAP. However, the Town would still be required to make a \$400,000 contribution.

The recommended approach to involving the CSRD in funding capital projects at Golden Airport is described in Section 7.

#### **6.1.7 Private Sector Funding**

Ultimately, the responsibility for making capital investments in Golden Airport is expected to continue to be held by the Town, potentially with support from the Regional District and upper levels of government through grant programs. However, private investment and corporate sponsorship are two opportunities that the Town has considered in funding capital works at Golden Airport. A detailed analysis of private investment in public infrastructure exceeds the scope of this report, given the myriad of considerations and delivery models that exist. Further, this discussion does not consider Public Private Partnerships (P3s) given the limited or minimal use of this model at community airports in Canada.

Typically, airport users (e.g., tenants, aircraft operators) do not contribute directly to capital projects as their financial involvement would be accounted for by land lease payments, terminal rentals, and landing fees (see Section 6.2). Paying these fees allows private parties to make use of public infrastructure, which is maintained by the owner (the Town) in a condition that enables its continued usage. Under this “user pays” model, private investment in municipally owned community airports is generally rare.



Peace River Airport is an example of private-sector involvement in capital projects at a municipally owned airport. Peace River Airport, at the time owned by the Town of Peace River, entered into an agreement with Shell Canada in 2014 allowing Shell to use the facility for transporting its staff to resource extraction sites. Part of this agreement was that upgrades would be completed by the Town to the terminal building and vehicle parking lot, with the costs borne by Shell Canada. As Shell's future resource extraction activities near Peace River required reliable transportation for its staff and represented, at the time, a viable business case with considerable potential revenues, paying for upgrades at Peace River Airport was deemed to be a justifiable expense as the municipality lacked the fiscal capacity to complete such projects at the timeline required by Shell.

The key factor of the Peace River example was that a private company identified an opportunity that would result in sufficient returns to justify the expense of investing in non-owned (public) infrastructure. Unless a major private business opportunity emerges, attracting similar levels of investment in Golden Airport will be challenging. In the future, if the Town is approached by a private party that has identified an opportunity in the region that requires upgrades to Golden Airport to be realized, the Town may consider negotiating and entering into a capital funding agreement.

### **6.1.8 Capital Funding Strategy**

Based on a preliminary review of grant opportunities and the potential capital involvement of the CSRD, the project team has identified how each source could be leveraged to address the capital projects recommended in the Facility Development Plan. Table 6.5 only outlines capital projects with preliminary cost estimates exceeding \$20,000, as it is assumed that the benefits of securing funding for projects under this total may be outweighed by the level of effort and timeline in securing grant funding. The financial opportunities of private sector involvement are similarly not included due to the uncertainties described in Section 6.1.7.

The pursuit of grant funding can be an involved process that requires extensive work by Town Staff, potentially with support from Council, regional organizations, and consultants. In examining how grants can be leveraged, the Town may consider the following matters:

- Depending on the scale of the funding available, similar projects can be pursued together. For example, funding requests for the rehabilitation of Runway 14-32; Taxiways A and B; and Aprons I, II, and III could be pursued as one project if a sufficiently large grant exists. Similarly, servicing upgrades and the preparation of new development lots could be pursued together;
- Grant funding programs are competitive, and the Town should consider submitting funding applications well in advance of the project timing identified in Sections 5 and 9 in case the submission is denied in a given funding cycle;
- The findings of the Airport Assessment and Business Case Report can be used to support grant applications, including the calculation of the Airport's economic and social impacts and the provision of asset condition assessment data. The Strategic and Tactical Plan can be leveraged to demonstrate that projects for which funding is being requested are tied to need and practical planning; and
- The next stage of design work and cost estimates for recommended capital projects should be initiated as soon as is feasible, if new time-limited grant opportunities are released requiring the Town to have "shovel-ready" projects.

**Table 6.5 - Capital Funding Opportunities**

Recommended Project	Preliminary Cost Estimate	BCAAP	ICIP	GTF	CBT	RMI	CSRD
<b>Airside System</b>							
Rehabilitation of Runway 14-32	\$1,770,000	YES	YES	YES <sup>1</sup>	TBD	YES	YES <sup>2</sup>
Rehabilitation of Taxiway A	\$88,000	YES	YES	YES	TBD	YES	YES <sup>2</sup>
Rehabilitation of Taxiway B	\$94,000	YES	YES	YES	TBD	YES	YES <sup>2</sup>
Rehabilitation of Apron I	\$313,000	YES	YES	YES <sup>1</sup>	TBD	YES	YES <sup>2</sup>
Rehabilitation of Apron II	\$232,000	YES	YES	YES <sup>1</sup>	TBD	YES	YES <sup>2</sup>
Reconstruction of Apron III	\$407,000	YES	YES	YES <sup>1</sup>	TBD	YES	YES <sup>2</sup>
<b>Airport Support Services</b>							
Terminal Building Interior and Exterior Improvements	\$40,000	YES	YES	YES	YES	YES	YES <sup>2</sup>
Terminal Building Replacement	\$570,000	YES	YES	YES <sup>1</sup>	YES	YES	YES <sup>2</sup>
Instrument Flight Procedure Feasibility Study	\$50,000	YES	TBD	YES	YES	YES	YES <sup>2</sup>
<b>Groundside System, Utilities, and Servicing</b>							
Potable Water, Sanitary Sewer, and Fire Suppression Servicing Study	\$30,000	TBD	TBD	YES	YES	YES	YES <sup>2</sup>
Upgrade Potable Water and Sanitary Sewer Systems	\$814,000	TBD	TBD	YES <sup>1</sup>	TBD	YES	YES <sup>2</sup>
<b>Development Lots</b>							
Preparation of New Development Lots	\$112,000	TBD	TBD	YES	TBD	YES	YES <sup>2</sup>
<b>Notes</b> <ol style="list-style-type: none"> <li>Preliminary cost estimate exceeds the Town of Golden's annual GTF allocation.</li> <li>CSRD support will require the development of a capital funding agreement.</li> </ol> <ul style="list-style-type: none"> <li>"TBD" indicates that sufficient information was not identified to support a classification during the preparation of this Plan.</li> <li>Data contained in this table is based on the preliminary review of publicly available data by the project team. Additional research and outreach with the grant funding sources will be required by the Town.</li> <li>Only projects with preliminary cost estimates exceeding \$20,000 are identified.</li> </ul>							

## 6.2 Operating Revenues

Golden Airport's annual operating deficit has ranged between \$53,000 and \$70,000 from 2015 to 2019, with a shared funding arrangement in place between the Town and CSRD to cover this shortfall. As studied in the Airport Assessment and Business Case Report, the facility's financial performance is typical of municipally owned community airports in Canada that fulfill the socioeconomic needs of their region. While the revenue opportunities identified herein are expected to improve the facility's financial sustainability, it is not anticipated that they will be sufficient to eliminate the annual operating deficit.

### 6.2.1 Aeronautical Rates and Fees

The Airport Assessment and Business Case Report identified the collection of aeronautical rates and fees as a revenue generation opportunity. A rates and fees structure can be implemented by the Town to capture revenue from aircraft movements, creating an environment where Airport users partially contribute to its operational costs. A properly designed fee structure should:

- Be competitive with nearby airports;
- Be fair and not deter tenants, businesses, and aircraft owners from operating at Golden Airport; and
- Be implemented in a manner that does not significantly increase the administrative requirements of the Town.

Given the typical operations of Golden Airport and limitations in terms of revenue collection methods (Section 6.2.3), the implementation of landing and parking fees may represent the most reasonable structure. Landing fees are typically calculated using a variable rate that increases based on an aircraft's weight, potentially with exemptions for select types of operators or aircraft. The establishment of landing fees for Golden Airport could consider:

- Locally based aircraft being exempted from paying a fee per landing, but the Town could institute an annual registration fee for such aircraft;
- All itinerant aircraft being charged a landing fee, including smaller general aviation aircraft, at competitive rates given the lack of such fees at Revelstoke Airport and Fairmont Hot Springs Airport; and
- The manner in which air ambulance movements (i.e., BC Air Ambulance, STARS) are charged or exempted.

Parking fees are typically established based on aircraft weight and the duration of the stay (i.e., daily, weekly, monthly, and annual rates). Similar to the above discussion, parking fees could include exemptions for aircraft that are hangared or stored on leasehold lots, the establishment of a minimum parking time for fees (e.g., past two hours), and operator specific exemptions.

To implement a new rates and fees structure for Golden Airport, it is recommended that the Town:

- 1) Conducts research on landing and parking fees at comparator airports and determines appropriate fees, similar to the December 2020 Lease Rate Review commissioned by the Town;
- 2) Enacts a by-law enabling the Town to collect fees at the Airport; and
- 3) Implements a revenue collection system, as described in Section 6.2.3.

### 6.2.2 Land Lease Revenues

A comprehensive lease rate review was completed by HM Aero in December 2020 which is included as Appendix A. The review identified discrepancies in how leases are currently charged and recommended a simplified lease rate structure with two categories for serviced and unserved airside lots. It is understood that the recommendations of the lease rate review will be considered by Town Council in the winter of 2021; accordingly, the analysis and findings of the report are not duplicated herein.

### 6.2.3 Revenue Collection

The implementation of an aeronautical rates and fees structure, as recommended in Section 6.2.1, will require the development of a revenue collection system. A potential issue that must be mitigated is that the level of effort in invoicing parties that use the Airport and collecting revenues should not exceed the revenue gained through each transaction.

A spectrum of options exist for how aeronautical fees can be collected, two of which are described for consideration:

- 1) **Self-Payment System:** In the self-payment model of revenue collection, Airport users would be responsible for identifying what fees they have incurred and making payment to the Town. Historically, community airports have commonly used a sign-in sheet and cashbox to receive self-payments. However, online payment platforms now exist that can be leveraged by the Town, as is currently used at the Golden Municipal Campground.
- 2) **Manual Invoicing:** In this option, individuals who make use of Golden Airport can be billed using owner data from the Canada Civil Aircraft Register. This option requires the continued presence of an individual to monitor activity at the Airport and record movements, as is currently performed by the Airport Ambassador. Town Staff would then be responsible for researching the owner's billing address, sending an invoice for payment, and following up as required.

This represents the lowest level of effort and cost in collecting revenues and may be a reasonable starting point for the Town. If implemented, aeronautical rates and fees can be communicated through the Town's Airport webpage, third-party pilot resources (e.g., ForeFlight, COPA Places to Fly), direct outreach to locally based aircraft operators, and clearly visible on-site signage (e.g., at the terminal building). On-site signage can be improved through QR codes that can be scanned by aircraft operators using their smartphones, directing them to an Airport payment webpage to be maintained by the Town.

Revenue collection through manual invoicing or an automatic system may be considered by the Town in the future if activity volumes increase sufficiently to warrant the use of additional Town resources.

## 7 INTERGOVERNMENTAL COOPERATION STRATEGY

In the context of this report, intergovernmental cooperation considers the manner in which the Town of Golden and Columbia Shuswap Regional District jointly are involved in Golden Airport, both currently and in the future. Of particular focus in this report is the involvement of the CSRD in the governance, capital expenses, and operating deficit of Golden Airport.



### 7.1 Background

#### Operating Funding

Historically, the Town of Golden and CSRD have jointly funded the annual operating deficit of Golden Airport based on the CSRD's *Golden Airport Financial Contribution Extended Service Bylaw (No. 5122, 1993)*. Through this funding arrangement, the respective contributions of the Town and CSRD are determined on an annual basis according to an assessment completed by the CSRD. As shown in Table 7.1, the Town and CSRD typically are responsible for 47% and 53% of the operating deficit, respectively. The current shared funding model is a significant strength in ensuring the Airport's future viability and as will be discussed below, is appropriately reflective of the regional benefits of the facility.

**Table 7.1 - Town of Golden / CSRD Operating Deficit Contributions (2015-2019)**

	2015	2016	2017	2018	2019
Operating Deficit	\$60,267	\$59,289	\$63,414	\$53,274	\$70,492
Town of Golden	\$28,856	\$27,624	\$30,667	\$24,906	\$33,223
CSRD	\$31,411	\$31,665	\$32,747	\$28,368	\$37,269

#### Capital Funding

While the shared responsibility for the operating deficit of Golden Airport has been in place since 1993, the CSRD has not been involved in funding any capital investments in the facility. From consultations with the Town and CSRD, it is understood that no formal mechanism exists conferring the obligation to the CSRD to fund such improvements. A capital funding arrangement was considered by the Town and CSRD through negotiations for the broader Shared Services Agreement in 2018. However, concerns about the future of Golden Airport, an unclear understanding of its role and benefits, and issues of political and resident will precluded the inclusion of the Airport in the Shared Services Agreement.

#### Governance

As examined in Section 3, the CSRD is not involved in the governance of Golden Airport, nor has it been involved historically. The governance of Golden Airport is currently the responsibility of the Town of Golden.



## 7.2 Problem Statement

One of the most significant findings made in the Airport Assessment and Business Case Report was that:

*“While the Airport is a Town-owned asset, the facility has significant regional social and economic benefits that extend to Area A of the CSRD. Although the annual operating funding support of the CSRD is reflective of this consideration, the lack of CSRD funding for capital projects is misaligned with the regional nature of the Airport’s benefits.”*

A central theme identified in the Airport Assessment and Business Case Report was that while the Airport is a Town owned and operated facility, its catchment area, usage, and economic and social benefits extend more broadly to also encompass Area A of the CSRD. For example:

- Air ambulance operations at Golden Airport support patients from both Golden and Area A;
- Golden and District Search and Rescue’s missions commonly occur in the backcountry of Area A; and
- Backcountry lodges, which are supported by helicopter operators based at the Airport and are a major part of the regional economy, are located in Area A.

The future viability of Golden Airport is dependent on the completion of lifecycle asset rehabilitation and replacement capital projects, yet it is understood that the Town of Golden does not have the fiscal capacity to fund these projects on its own. Without completing these projects, such as the rehabilitation of the runway, taxiways, and aprons, Golden Airport’s infrastructure will continue to degrade, potentially to the point where the economic and social benefits afforded to Golden and Area A can no longer be realized. While grant funding, as identified in Section 6.1, represents a significant opportunity to address the Airport’s infrastructure deficit:

- The pursuit of grant funding is not guaranteed to be successful;
- Grant programs can be discontinued according to the priorities and financial abilities of their funders; and
- The balance of the project cost not funded through the given grant remains the responsibility of the Town and for larger capital projects, may still challenge the municipality’s fiscal capacity.



**Columbia Shuswap Regional District Office in Salmon Arm (CSRD)**

## 7.3 Objectives

Consistent with the recommendations of the Airport Assessment and Business Case Report, three primary objectives are established under the umbrella of intergovernmental cooperation with the CSRD:

- 1) The continued involvement of the CSRD in contributing to the Airport's operating deficit;
- 2) The establishment of a shared capital funding agreement between the Town and CSRD; and
- 3) The future involvement of the CSRD in the recommended Airport Committee and long-term Airport Commission. If the Regional District is expected to contribute to capital spending, it should have representation in any future governing body.

These three strategic objectives represent significant steps to be completed to ensure the future viability of Golden Airport. With respect to the capital agreement, proportional funding shares have not been identified through this report, as the level reached will be the result of negotiations between the two entities and should be contextualized by capital funding agreements for other facilities identified in the Shared Services Agreement.

## 7.4 Agreement Development Strategy

Effective negotiations between the Town and CSRD will be required to reach an agreement that ensures the future viability of Golden Airport. A strategy of achieving collaboration and compromises will be the most effective, where both parties are willing to achieve a mutually acceptable outcome while also being able to make concessions in the process based on their respective values and concerns.

It is expected that the development of an intergovernmental capital funding agreement will involve concurrent discussions with respect to the CSRD's involvement in the governance of Golden Airport. Steps to be taken in this process may include:

### **1) Presentation of Airport Assessment and Business Case Report and Strategic and Tactical Plan**

The Town of Golden, including members of Council and the CAO, should meet with the Area A Director and other CSRD representatives to present the findings of the above-noted reports. The intent of this step is to build awareness of the business case and socioeconomic benefits of Golden Airport articulated in the Assessment Report, and to demonstrate that an actionable strategy has been prepared to address the future of the facility.

### **2) Agreement in Principle**

The Town should work towards an agreement that confirms the willingness of the CSRD, in principle, to participate in the governance and capital funding of Golden Airport. This step is focussed on affirming whether Golden Airport is a "regional" asset from the perspective of the CSRD, and whether support will be provided that is aligned with that finding.

### **3) Negotiation**

With agreement in principle established that Golden Airport is a regional asset and that increased support from the Regional District is accordingly required, the Town and CSRD can enter into negotiations on the structure of the governance and capital funding agreement. This may involve several rounds of issue identification and resolution. Throughout this process, the following key principles should routinely be revisited by the negotiating teams:

- Golden Airport supports aviation services with key social benefits across Golden and Area A, including air ambulance operations, Search and Rescue, wildfire suppression, and emergency management;
- The Airport has significant regional economic impacts through its support of intercommunity travel, the tourism sector (e.g., backcountry lodge support, helicopter based recreational activities, Parks Canada logistics), and on-site aviation recreation providers;
- As with other capital assets that benefit both Golden and Area A, the Airport's infrastructure requires investment to ensure that it can continue to serve its purpose safely and efficiently; and
- As the Airport is a regional asset, a collaborative approach to capital investments that involves both the Town and CSRD is an appropriate and prudent strategy to ensure its future viability.

### **4) Drafting of Agreement**

Based on the findings of the negotiation phase, a draft agreement can collaboratively be prepared by the Town and CSRD, reviews undertaken, and public consultation completed. Following the satisfactory completion of the preceding steps, the Town and CSRD can become signatories of the governance and intergovernmental capital funding agreement.

### **5) Implementation**

The future intergovernmental capital funding strategy and governance structure can be implemented by the Town and CSRD with regular reviews to ensure the objectives and goals of the agreement are being met.

## 8 BUSINESS DEVELOPMENT PLAN

As articulated in Section 2, Golden Airport's role is to serve as a regional social asset; provide economic benefits; and support the Canadian air navigation system. With respect to regional economic development, potential exists to grow the impacts of Golden Airport through the implementation of the Business Development Plan provided herein. The Business Development Plan considers action across three areas:

- 1) The formation of strategic partnerships with regional stakeholders that can support the implementation of the Plan;
- 2) The pursuit of business development initiatives across four potential growth areas; and
- 3) Improvements in Airport-related Town communication and outreach.

### 8.1 Strategic Partnerships

While Golden Airport is owned and operated by the Town, numerous organizations have missions that are closely aligned with the success of the Airport and skills that may be of considerable value in the pursuit of new business. Advancing Golden Airport's success over the next ten years will require the development of strategic partnerships, whereby different organizations work together and leverage their unique strengths to achieve a common goal: the development of Golden Airport and the provision of regional social and economic benefits.

The future governing body of Golden Airport (i.e., the Airport Committee and Airport Commission) recommended in Section 3 is anticipated to be the primary forum for the involvement of one or more of the parties identified below.

#### 8.1.1 Tourism Golden

Tourism Golden is the regional Destination Marketing Organization, which is responsible for marketing the tourism industry, undertaking stakeholder education activities, and advocating for the needs of the tourism sector. Tourism Golden currently provides advertising and numerous resources on the aviation-based recreation opportunities available at the Airport, such as heliskiing and skydiving.



In the future, support from Tourism Golden may be requested in updating how the Airport is communicated in terms of visitor access to the region, including the prominence given to this option. Additionally, Tourism Golden may be the most suitable organization to support the attraction of additional corporate and general aviation aircraft activity, as well as for providing in-kind support for charter passenger air services (e.g., marketing and promotion). The relationships that Tourism Golden has with major regional attractions, such as the Kicking Horse Mountain Resort and backcountry lodges, can be leveraged to develop unique visitor experiences for aircraft operators arriving in Golden, as described further in Section 8.2.2.

#### 8.1.2 Kicking Horse Country Chamber of Commerce

The Chamber of Commerce represents the interests of over 200 business and non-profit members with the intention of creating a vibrant and sustainable economic climate for the region. Several businesses based at the Airport are currently members of the Chamber of Commerce, and the Chamber may consider outreach to businesses that are not members.



The specific support that can be provided by the Chamber of Commerce is expected to be determined through future consultations with the organization, considering the directions presented in the Strategic and Tactical Plan. To improve the awareness of Golden Airport and its services among the regional business community, Town Staff may consider attending a Chamber Board of Directors meeting to present the findings of the Airport Assessment and Business Case Report and Strategic and Tactical Plan. Further, the Chamber of Commerce may be a partner in marketing the future availability of development lands at the Airport.

### 8.1.3 Golden Community Coop



Golden Community Coop was formed in 2016, and in 2019 the organization's mandate was broadened to also include community economic development. Under this mandate, the Coop is responsible for *"...setting and updating community economic development strategies and implementing activities that serve to improve life in Golden for all residents."*

At the time of this report's preparation, Golden Community Coop was undertaking the development of a Community Economic Development Strategy which is anticipated to be completed by September 2021. As part of the development of this Strategy, it is recommended that the Town and Golden Community Coop work together to identify how Golden Airport can be part of local economic diversification efforts and how the facility can meet the needs of residents. It is expected that the specific opportunities for partnering with Golden Community Coop may be identified following the upcoming release of the Community Economic Development Strategy.

### 8.1.4 Community Futures Central Kootenay / Imagine Kootenay



Imagine Kootenay is a program of Community Futures Central Kootenay that helps to attract investment in the region. The Town of Golden is currently part of the Imagine Kootenay initiative. It is anticipated that the primary partnership opportunity is for Imagine Kootenay to market the availability of future development land opportunities at the Airport on its online database.

## 8.2 Business Development Initiatives

The Airport Assessment and Business Case Report included a comprehensive analysis of potential business development opportunities at Golden Airport. Four primary aeronautical opportunities have been identified for Golden:<sup>2</sup>

- 1) The absorption of new development lots;
- 2) Increased itinerant corporate and general aviation traffic;
- 3) Flight training; and
- 4) Charter passenger air services.

Provided below are select business development initiatives that can be pursued by the Town, the future Airport Committee and Airport Commission, and parties identified as strategic partners.

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<sup>2</sup> The implementation of aeronautical rates and fees, which was also identified as an opportunity, is addressed separately in Section 6.2 of this document.



### 8.2.1 Development Lot Absorption

The absorption of new development lots at Golden Airport was identified as an opportunity in the Airport Assessment and Business Case Report, with prospective tenants potentially including private aircraft hangars, charter aircraft operators, and aviation service businesses. The benefits of development lot absorption include additional leasehold revenues to the Town, new activity at the Airport, and potential employment opportunities (e.g., with new aviation service businesses).

As described in the Facility Development Plan, proactive capital investments by the Town are required in upgrading potable water and sanitary sewer services and preparing new development lots prior to the realization of this opportunity. Following the readying of new lots for development through the completion of these capital projects, it is recommended that the Town:

- Prepares a development information package which clearly outlines the lots available, lease rates and terms, advantages of developing at the Airport, and the point of contact for prospective tenants. This information package should be posted to the Airport webpage; circulated with strategic partners such as the Chamber of Commerce, Golden Community Coop, and Imagine Kootenay; and provide to prospective tenants that contact the Town;
- Contacts existing tenants to identify whether these parties seek to expand their operations through the absorption of a new development lot; and
- Markets the availability of development lots through industry resources such as the British Columbia Aviation Council, B.C. General Aviation Association, Alberta Aviation Council, and Canadian Owners and Pilots Association, as well as nearby flying clubs.



Sample airport development marketing materials (Pitt Meadows Airport / CRVC Group)

### 8.2.2 Corporate and General Aviation

Golden Airport supports itinerant aircraft visiting the region for purposes such as tourism and recreation, visiting family and friends, and travelling to a second residence. Increasing itinerant corporate and general aviation activity at Golden Airport can offer a range of benefits, such as:

- Additional travellers patronizing regional tourism and hospitality businesses and spending within the community;
- Increased operating revenues to the Town through the collection of landing and parking fees (see Section 6.2.1); and
- Aircraft operators making use of aviation services at the facility, including the purchase of fuel.

The strategy for attracting additional corporate and general aviation traffic at Golden Airport focuses on leveraging the region's numerous tourism strengths to encourage trips to the area. Ultimately, the presence of regional tourism and visitor attractions is one of the primary motivating forces for itinerant aircraft operators making use of Golden Airport – the Airport facilitates travel to these destinations, but the Airport itself is typically not the purpose of travel.

#### General Aviation Fly-Outs

Both British Columbia and Alberta are home to active general aviation communities, represented by provincial and local-level organizations. Significant attention on Golden Airport was generated during the preparation of the Airport Assessment and Business Case Report among the general aviation community, and the opportunity now exists to leverage this renewed focus to attract additional activity.

General aviation fly-out events are common throughout the spring, summer, and fall in Canada, whereby numerous aircraft operators choose an airport, arrive as a group, and spend time at the destination airport / community. The British Columbia General Aviation Association's "brown bag fly-out" series, for example, involves aircraft operators visiting airports throughout the province. The August 2020 fly-out to Alberni Valley Regional Airport resulted in 25 aircraft visiting the facility and purchasing fuel, and operators were encouraged to patronize the local gliding club.

The benefits of such events occurring at Golden Airport could include increased attention and marketing of the Airport, increased fuel sales, landing and parking fees to the Town, and aircraft operators patronizing local businesses. General aviation fly-outs are also an opportunity for partnership with local businesses (e.g., restaurants) to cater to arriving aircraft operators and visitors. Fly-outs can represent a low level of effort business development opportunity for the Town as the event's coordination is largely handled by the organization.

Town Staff may consider reaching out directly to the following organizations to highlight the interest in supporting future fly-outs and offering required support:

- British Columbia General Aviation Association;
- Alberta General Aviation; and
- Nearby flying clubs, such as the Salmon Arm Flying Club, Vernon Flying Club, Kelowna Flying Club, and Calgary Recreational and Ultralight Flying Club.

## Destination Partnership Packages

Through strategic partnerships with organizations such as Tourism Golden, Kicking Horse Mountain Resort, and regional backcountry lodges, Golden Airport has the unique opportunity to be integrated in tourism incentive packages. Golden and the surrounding region is a year-round destination of national acclaim because of its numerous adventure tourism opportunities located in the area. While COVID-19 travel restrictions are impacting both domestic and international tourism, it is understood that visitor activity will continue to play a central role in the regional economy in the future.

Fractional aircraft ownership and management programs have proliferated in Canada in recent years, lowering the barrier to entry to private air travel through the sale of fractional shares of corporate aircraft. Fractional owners (program members) can then choose the amount they fly per year, the destinations, and the schedule. As one of the services provided to their members, select fractional aviation companies partner with tourism destinations to offer incentive packages to encourage member travel. The intent would be to encourage fractional aircraft owners to choose Golden as a tourism destination given the availability of:

- A suitable mode of travel (i.e., a private aircraft);
- An airport to support the trip (Golden Airport); and
- Tourism destinations and attractions that would make the trip worthwhile, of which there are many throughout the region.

It is recommended that the Town initiates discussions with Tourism Golden and interested regional attractions to determine the feasibility of pursuing this strategy, and what incentives could be offered as part of a destination package (e.g., exclusive experiences, reduced price ski packages, on-Airport jet to helicopter transfers, etc.). Once a preliminary working strategy is established, the Town should approach fractional aviation groups to identify opportunities to market such packages to their members. Examples of businesses that could be approached include AirSprint, Aurora Jet, and Jet-Share in Canada, and NetJets in the United States.

It should be noted that Airport level of service and maintenance requirements of corporate aircraft operators may require improvements as identified in Section 4.2.



**Destination Partnership Package Concept**

### 8.2.3 Flight Training

Golden Airport's unique geographic setting is an opportunity for specialized mountain flight training for helicopter and fixed-wing pilots, either through the establishment of a new flight training unit (FTU) or the use of the Airport by aircraft from other FTUs. Benefits of a locally based FTU could include additional leasehold revenues to the Town; regional economic benefits through job creation and students patronizing local businesses; and synergistic benefits with other Airport businesses (e.g., fuel sales). Aircraft using the Airport from other FTUs also would increase activity at the facility and generate additional operating revenues to the Town through landing and parking fees.

Similar to the preconditions for development lot absorption described in Section 8.2.1, a new FTU opening at Golden Airport would likely require that the Town undertakes the recommended servicing and lot preparation capital projects. As the establishment of a FTU in Golden will be a business decision by a private enterprise, traditional marketing by the Town may be ineffective. Instead, Town Staff should consider consulting with representatives from the British Columbia Aviation Council to identify potentially interested businesses and points of contact.

#### **8.2.4 Charter Passenger Air Services**

As described in the Airport Assessment and Business Case Report, charter services include ad hoc flights operated according to the customer's needs, as well as scheduled charters where multiple predetermined flights are operated. Benefits of charter passenger air services include:

- Facilitating the arrival of visitors to Golden, with accompanying economic benefits as these individuals spend money within the region;
- Social benefits to residents of the region through the provision of a new option for intercommunity transportation; and
- The generation of operating revenues to the Town through landing and parking fees.

The commencement of charter passenger services is contingent on an air carrier identifying a viable business case – i.e., enough passengers must use the service at ticket prices that will provide adequate revenues to overcome set-up and operating costs. If the proactive pursuit of charter passenger air services is deemed to be a priority of the future Airport Committee or Airport Commission, the primary task will be assisting air carriers with the identification of a viable market. The Town of Golden, working with strategic partners such as Tourism Golden and major attractions, could prepare a study that seeks to quantify the scale of the local air service market, potential revenues, visitor trends in the region, and other factors of relevance. Equipped with this information, prospective charter operators may be approached to initiate preliminary discussions.

The provision of financial incentives and subsidies to attract charter passenger air services is not recommended, given the limited surplus financial resources of the Town and the need for an air carrier to establish an operation that is viable in the long-term when subsidies end. Instead, the Town may consider in-kind contributions to support a prospective charter operator, such as:

- Expedited permitting and approvals;
- Improved winter maintenance service levels and snow clearing timed around flight arrivals and departures;
- Access to the terminal building;
- Temporarily reducing the air carrier's landing, parking, leasehold, and terminal fees for a defined period; and
- Coordinating outreach activities between the Airport's strategic partners and the air carrier.

Marketing the air service is one of the most important forms of in-kind support that both the Town and its strategic partners (i.e., Tourism Golden, Chamber of Commerce, etc.) could provide to a prospective charter operator.

## 8.3 Communication and Outreach

The targeted initiatives with respect to communication and outreach identified below have three primary purposes:

- 1) Ensure clear and accurate information is available about Golden Airport for current and prospective users and tenants;
- 2) Facilitate increased business development at the facility; and
- 3) Build regional awareness of the Airport, its operations, and benefits, and in doing so ensure that investment in the facility continues to be supported by resident and political will.

### 8.3.1 Airport Webpage

The Town maintains a webpage for Golden Airport on its municipal website, Golden.ca. The webpage currently provides basic information regarding the facility, including:

- Its location;
- The runway length and width; and
- Contact information for the Manager of Operations and Manager of Legislative Services.

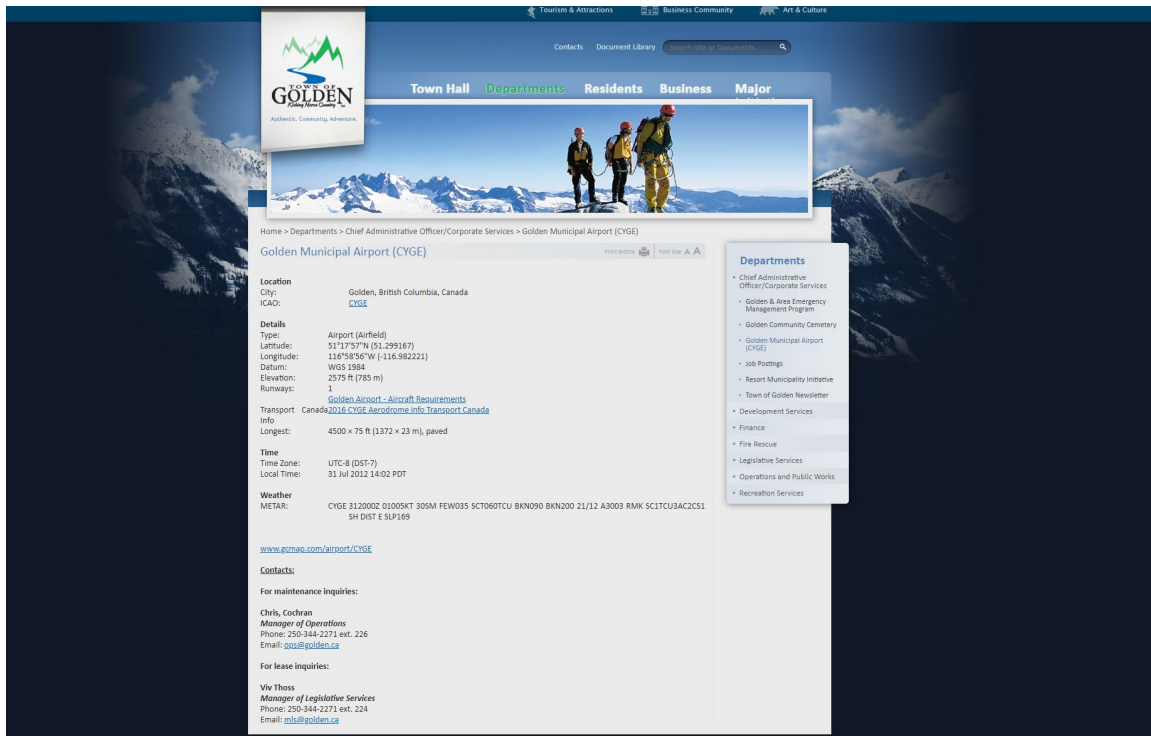
Additionally, several out-of-date items are included such as the local time (not updated since 2012), an undated Aerodrome Routine Meteorological Report, the facility's 2016 Canada Flight Supplement entry, and a 2008 spreadsheet of aircraft take-off performance calculations.

It is recommended that the Town completes a comprehensive update to the Airport webpage to clearly outline information of importance to aircraft operators and potential tenants. This may include:

- Aerodrome information, including its infrastructure, Instrument Flight Procedures, and weather services;
- Operational information on fuel sales and prices, aircraft parking areas and tie-downs, rates and fees, and other services available;
- Visitor information, including transportation into Golden, accommodations, and nearby attractions;
- Land development information, including available lots, lease rates, and servicing information;
- Overviews of the tenants and businesses based at the Airport and the services that they provide;
- All relevant points of contact at the Town; and
- When established, information on the Airport Committee / Airport Commission.

Airport websites often are the first point of reference for prospective tenants and aircraft operators. A well-designed and routinely updated webpage creates a positive first impression and should provide the information that supports an individual in choosing to use Golden Airport. It is anticipated that this task can be championed by the Town Communications Official.





Current Golden Airport webpage

### 8.3.2 Municipal Social Media

The Town Communications Official currently maintains Facebook, Twitter, and YouTube accounts which serve as the Town's social media presence. While the daily operations of Golden Airport may not be of interest to the broader userbase that frequents these pages, it is recommended that the Town Communications Official uses these accounts to share information about significant Airport matters, such as:

- Annual activity summaries;
- Development and business opportunities;
- Major projects, such as asset rehabilitation efforts; and
- Notable activity with a public interest component, such as military aircraft arrivals.

Separately, the Airport Ambassador (East Kootenay Fuel Sales) maintains Facebook, Twitter, and Instagram accounts dedicated to Golden Airport. While these social media resources are unaffiliated with the Town, the work done by the Airport Ambassador in maintaining these accounts is a strength of the facility.

### 8.3.3 Municipal Annual Report

The Town of Golden publishes an annual report pursuant to the requirements of the *Community Charter* and *Financial Information Act*. It is recommended that commentary be added to the annual report on progress on Airport-related objectives. Annual descriptions of the facility's operations, capital projects, business development initiatives, and financial performance are an important part of transparent and accountable Airport governance and represent an opportunity to acknowledge the Airport's strengths and progress.

## 9 PLAN IMPLEMENTATION

### 9.1 10-Year Action Plan

The adoption of the Golden Airport Strategic and Tactical Plan by Town Council will represent a considerable milestone in working towards the facility's long-term viability. The next step for the Town will be the implementation of the recommendations made throughout this Plan. To assist in this process, Table 9.1 provides a 10-Year Action Plan that includes all significant recommendations made.

It is recommended that the Town strives to follow the Action Plan where practical and feasible, especially with respect to lifecycle renewal and asset rehabilitation projects. Deferring projects has the potential to further increase the Airport's infrastructure deficit, while also limiting the Town's ability to achieve the goals established for the Airport.

Importantly, the schedule provided in the 10-Year Action Plan identifies only the target year for the implementation of each project or task. Numerous projects, such as capital rehabilitation efforts, will require one or more years for preliminary and detailed design, grant funding applications, and competitive procurement processes. Accordingly, it is recommended that Town Staff and the future Airport Committee / Airport Commission adopt a proactive approach in their implementation of the Action Plan, considering both immediate and longer-term priorities.

### 9.2 Plan Monitoring and Review

The Strategic and Tactical Plan is intended to provide a practical and targeted approach to key opportunities and challenges facing Golden Airport from 2021 to 2030. The recommendations of the Strategic and Tactical Plan have been prepared using the best information available at the time of the report's preparation from 2020 to 2021. However, factors will emerge that will challenge the assumptions, analyses, and recommendations of the Plan, and it is understood that the Town may vary in how it implements the plan. It is recommended that the Strategic and Tactical Plan be reviewed and updated in 2030 (or sooner, at the discretion of the Town) to evaluate the success of the Town and its partners in implementing the current plan, identify new capital and operational needs that have emerged, and account for contextual changes.

**Table 9.1 - 10-Year Action Plan**

Project	Section	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030+
<b>Facility Development Plan</b>											
Replacement of airside signage	5.2.4										
Decommissioning of Taxiway C	5.2.2										
Warning notices and restricted area signage	5.4										
Airport tree removal program	5.2.5										
Improved aircraft tie-down positions	5.3.3										
Terminal building interior and exterior improvements	5.3.1										
Potable water, sanitary sewer, and fire suppression servicing study	5.4										
Upgrade potable water and sanitary sewer systems	5.4										
Preparation of new development lots	5.5										
Instrument Flight Procedure Feasibility Study	5.3.2										
Rehabilitation of Runway 14-32	5.2.1										
Rehabilitation of Taxiway A	5.2.2										
Rehabilitation of Taxiway B	5.2.2										
Rehabilitation of Apron I	5.2.3										
Rehabilitation of Apron II	5.2.3										
Reconstruction of Apron III	5.2.3										
Airport Strategic and Tactical Plan Update	9.2										(2030)
Terminal Building Replacement	5.3.1										(2036)
<b>Governance and Intergovernmental Cooperation Strategy</b>											
CSRD governance and capital funding agreement negotiation	7.4										
Formation of Golden Airport Committee	3.2										
Formation of Golden Airport Commission	3.2										

Project	Section	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030+
Financial Management Strategy											
Pursuit of capital grant funding	6.1	As required in advance of the recommended capital projects (ongoing)									
Implementation of lease rate revisions	6.2.2										
Airport rates and fees review	6.2.1										
Airport rates and fees by-law and revenue collection system implementation	6.2.1										
Administration, Operations, and Maintenance											
Development of Airport Operations Manual	4.1.2										
Join AAMA and RCAC	4.1.2										
Winter maintenance level of service improvements	4.2.2	Existing deficiency – should be addressed as soon as practical by the Town									
Business Development Plan											
Redesign Airport webpage	8.3.1										
Begin increased social media coverage of Airport	8.3.2										
Begin publishing Airport section in Municipal Annual Report	8.3.3										
Formation of Strategic Partnerships	8.1										
Commence outreach efforts to increase corporate and general aviation traffic	8.2.2										
Commence marketing of Airport development lots	0										

## **Appendix A - December 2020 Lease Rate Review**

December 3, 2020

Town of Golden  
810 9<sup>th</sup> Avenue South  
Golden, BC V0A 1H0

**Attention: Mr. Jon Wilsgard – Chief Administrative Officer**

**RE: Golden Municipal Airport – Lease Rate Review**

Dear Mr. Wilsgard,

HM Aero has completed our review of the lease rates of Golden Municipal Airport (Golden Airport). Presented herein are our findings regarding the current lease structure of Golden Airport, data on lease rates at comparable airports, and analysis on the revenue implications of three lease rate scenarios that have been deemed most suitable for the facility.

### **EXISTING LEASES**

The Town of Golden has designated 11 lots at Golden Airport for use and development on five-year lease terms, as summarized in Table 1. A variable rate is currently charged by the Town depending on the type of tenant:

- Commercial Tenant: \$2.20 / m<sup>2</sup>
- Non-Profit / Private Tenant: \$1.10 / m<sup>2</sup>
- Government Tenant: \$0.95 / m<sup>2</sup>

As shown in Table 1, Golden Airport current supports two government, three commercial, and three non-profit / private tenants. Combined, these occupants generate approximately \$28,400 in annual operating revenues for the Town.



**Table 1 - Golden Airport Lot Inventory**

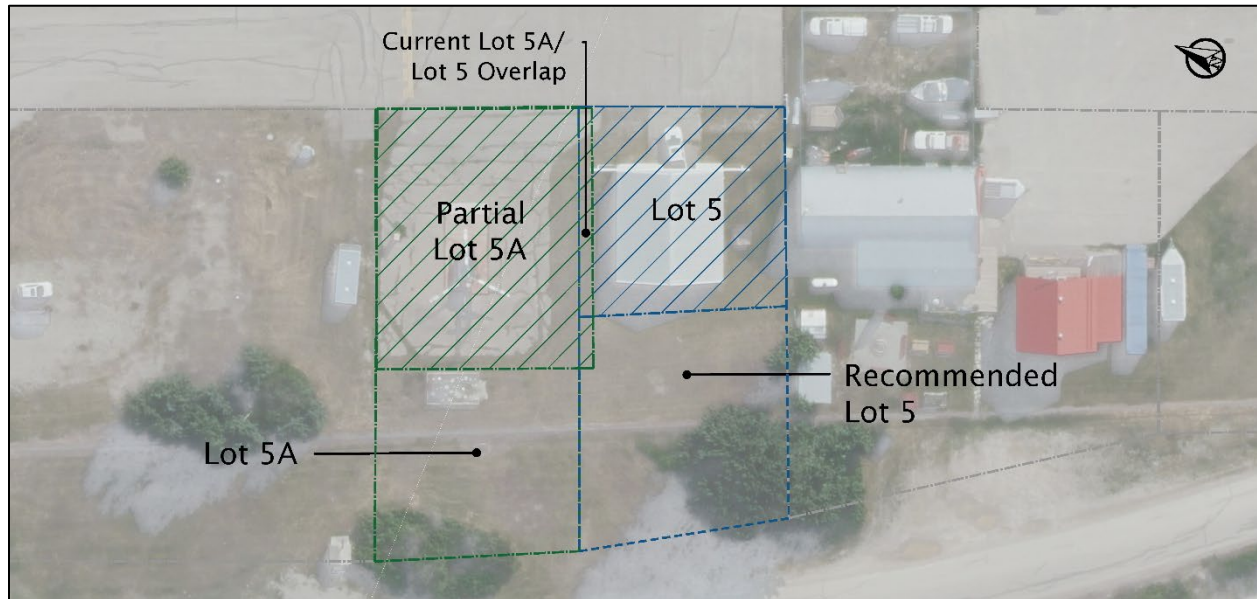
Lot	Lease Classification	Lot Area (m <sup>2</sup> )	Leased Area (m <sup>2</sup> )	Lease Rate	Annual Revenue
2	Government	1,680	1,620	\$0.95	\$1,539
2A	Commercial	5,956	8,421	\$2.20	\$18,526
3	Vacant	643			
4	Non-Profit	2,095	2,095	\$1.10	\$2,306
5	Private	564	564	\$1.10	\$620
5A	Commercial	1,211	750	\$2.20	\$1,650
6	Vacant	2,325			
7	Private	3,113	3,113	\$1.10	\$2,867*
8	Government	2,463	2,463	\$0.45 **	\$1,100 **
10	Vacant	1,841			
11	Commercial	601	601	\$2.20	\$1,322
TOTAL		22,492	22,883		\$28,391
Notes * \$557 is deducted from the lease rate of \$3,424 for Lot 7 for a 6 m <sup>2</sup> area within the building housing the Town's sewage lift station controls (\$7.00) and \$550 per year in estimated costs for heating the building. ** The \$1,100 charged to the tenant of Lot 8 also includes space within the terminal building which is not recorded as separate rental revenue.					

Several discrepancies with the development lot sizes and the application of rates were identified by the project team:

1. **Lot 2:** The current lease is calculated based on an area of 1,620 m<sup>2</sup>. GIS data provided by the Town shows that Lot 2 is 1,680 m<sup>2</sup>, indicating that the tenant is underpaying based on this discrepancy.
2. **Lot 2A:** Lot 2A has been measured through GIS data to have an area of 5,956 m<sup>2</sup>; however, the lease is calculated with an area of 8,421 m<sup>2</sup>. In this case, the tenant is overpaying the Town based on a discrepancy in the calculation.
3. **Lot 5:** The lot has an area of 564 m<sup>2</sup>, within the Airport perimeter fence, as shown in Figure 1. This is inconsistent with the fabric of Lots 2, 2A, 3, 4, 6, and 7, the boundaries of which extend beyond the perimeter fence towards Fisher Road. Adjusting the western boundary of Lot 5 will increase its area to 1,183 m<sup>2</sup> and bring it into consistency with the remainder of Golden Airport.

4. **Lot 5A:** While the area of Lot 5A is 1,211 m<sup>2</sup>, the tenant's leasehold is a 750 m<sup>2</sup> area located within the Airport perimeter fence ("Partial Lot 5A"). The boundary of Partial Lot 5A overlaps with Lot 5 to the south (Figure 1). During lease renegotiations, the Town should consider adjusting the tenant's lease to encompass Lot 5A in its entirety, as opposed to Partial Lot 5A.
5. **Lot 8:** The tenant's lease includes the use of both Lot 8 (2,463 m<sup>2</sup>), which is used for a meteorological compound, as well as office space within the terminal building. Terminal building office space is typically rented at an additional cost, separate from the rate paid for development lot leases. The \$1,100 annual charge paid by the tenant, including both Lot 8 and the terminal building space, is equal to a rate of approximately \$0.45 per m<sup>2</sup>. This is significantly below the typical rate for a government tenant, and the separate revenue that should be gained from the rental of the terminal building is also not accrued. The tenant's lease should be renegotiated to capture the revenue from the lease of Lot 8 and the rental of the terminal building at rates consistent with those of other tenants.

**Figure 1 - Lots 5 and 5A Discrepancies**



In addition to the items noted above, it is understood that per the British Columbia Community Charter (SBC 2003), leasehold agreements of Town property are deemed a "liability." Section 175 (2) states that such agreements shall not extend beyond five years without the approval of the electors, which was stated by the Town to be the limitation on entering into longer lease agreements. A common theme during stakeholder consultations completed as part of the Economic Viability Study in 2020 was that five-year land lease agreements may disincentivize investment and development by current and prospective tenants, especially given historic uncertainty regarding the future of Golden Airport.

With the renewed commitment of the Town to continue to operate Golden Airport established in October 2020, the Town may consider entering into negotiations with incumbent tenants during the renewal process to extend their agreements beyond five years. This is subject to the steps required to satisfy Section 175 of the Community Charter.

## **COMPARATOR AIRPORT REVIEW**

Airport operators were contacted by the project team and publicly available materials were reviewed to identify the current land lease rates of comparable airports throughout British Columbia. Airports were selected based on:

- Their proximity to Golden;
- Comparability in terms of airport infrastructure;
- The level of service provided (i.e. winter maintenance, fuel availability); and / or
- The availability of lease rate information.

Table 2 shows the lease rate information for 13 comparator airports, with key findings summarized as follows:

- Lease rates for serviced lots ranged from \$1.34 / m<sup>2</sup> to \$7.70 / m<sup>2</sup>, with an average rate of \$3.40 / m<sup>2</sup> for the nine examples in this category;
- Lease rates for unserviced lots ranged from \$0.23 / m<sup>2</sup> to \$4.31 / m<sup>2</sup>; and
- Agreements at comparator airports commonly included a provision for increasing the lease rate on an annual basis according to a predetermined rate (e.g. 2%) or with the British Columbia Consumer Price Index (CPI).

**Table 2 - Comparator Airport Lease Rates**

Airport	Rate (per m <sup>2</sup> )	Notes	Source
Serviced Lots			
CYRV – Revelstoke Airport	\$1.34	<ul style="list-style-type: none"> <li>Rate for the current B.C. Wildfire Service lease</li> <li>2001 lease rate (\$1.00) with subsequent CPI increases to 2019 rate (\$1.34)</li> <li>Leasehold lots for new development not currently offered</li> </ul>	Columbia Shuswap Regional District
CYQZ – Quesnel Airport	\$1.47	<ul style="list-style-type: none"> <li>Rate from current B.C. Wildfire Service lease</li> <li>Includes water utility fees</li> <li>Subject to 2% annual increases</li> </ul>	<a href="#">Item K.1, Lease Agreement</a>
CYWL – Williams Lake Airport	\$1.86	<ul style="list-style-type: none"> <li>Subject to annual CPI increases</li> </ul>	<a href="#">Item E.6</a>
CYXC – Cranbrook / Canadian Rockies International Airport	\$2.32	<ul style="list-style-type: none"> <li>Utilities are paid separately by the tenant</li> <li>Includes airport maintenance charge (\$0.40 / m<sup>2</sup>)</li> <li>Sewer, water, and landfill fees are levied separately</li> </ul>	<a href="#">Lease Agreement</a>
CAJ3 – Creston Valley Airport	\$2.58		Town of Creston
CYCW – Chilliwack Municipal Airport	\$4.03	<ul style="list-style-type: none"> <li>Subject to annual CPI increases</li> </ul>	Airport Manager
CZAM – Shuswap Regional Airport	\$4.55	<ul style="list-style-type: none"> <li>Non-commercial hangar rate</li> </ul>	<a href="#">Municipal Website</a>
	\$7.70	<ul style="list-style-type: none"> <li>Commercial hangar rate</li> <li>Industrial or non-airport use rate</li> </ul>	
CYVK – Vernon Regional Airport	\$4.74	<ul style="list-style-type: none"> <li>Lots with servicing, road frontage, and vehicle parking</li> <li>Leasehold lots for new development not currently offered</li> </ul>	City of Vernon
CZGF – Grand Forks Airport	See Notes	<ul style="list-style-type: none"> <li>Flat Rate - Minimum of \$500 / year for City residents;</li> <li>Flat Rate - Minimum of \$1,000 / year for non-residents; or</li> <li>15% of assessed value, whichever is greater</li> </ul>	<a href="#">Municipal Website</a>
Unserviced Lots			
CAQ5 – Nakusp Airport	\$0.23		Village of Nakusp
CYSW – Sparwood / Elk Valley Airport	\$0.75		Regional District of East Kootenay
CAU3 – Oliver Municipal Airport	\$3.00	<ul style="list-style-type: none"> <li>Utilities are paid separately by the tenant</li> </ul>	Airport Manager
CYVK – Vernon Regional Airport	\$3.39	<ul style="list-style-type: none"> <li>Lots with no road frontage, vehicle parking, or servicing</li> <li>Leasehold lots for new development not currently offered</li> </ul>	City of Vernon
CYZZ – Trail Airport	\$4.31		Airport Manager

Of the reviewed airports, Shuswap Regional Airport and Cranbrook / Canadian Rockies International Airport are the two closest facilities to Golden Airport that offer serviced airside lots for new development. As noted in Table 2, Cranbrook Airport charges \$2.32 / m<sup>2</sup> and Shuswap Regional Airport charges \$4.55 / m<sup>2</sup> or \$7.70 / m<sup>2</sup> depending on the tenant. It should be noted that these airports have competitive offerings versus Golden Airport as:

- Both facilities have lighting to support nighttime aircraft operations;
- Cranbrook Airport has an Instrument Landing System approach with a 200 ft. Minimum Decision Altitude (MDA), versus Golden Airport's RNAV procedures with MDAs between 1,500 ft. and 2,000 ft.;
- Cranbrook Airport can support larger aircraft with its 8,000 ft. runway; and
- Snow clearing at Cranbrook Airport is performed in accordance with a Winter Maintenance Plan as the facility is a certified airport.

## **REVENUE ANALYSIS**

Three scenarios have been prepared to illustrate the financial impacts of different lease rates from 2021 to 2025. All scenarios assume that:

- The leased areas of the lots noted below are adjusted as follows:
  - Lot 2: 1,680 m<sup>2</sup>;
  - Lot 2A: 5,956 m<sup>2</sup>;
  - Lot 5: 1,183 m<sup>2</sup>;
  - Lot 5A: 1,211 m<sup>2</sup>;
- The lease with the tenant of Lot 8 is renegotiated at the government rate (Scenarios 1 and 2) or the Airport – Unserviced rate (Scenario 3); and
- No new tenants enter into leasehold agreements and no existing tenants terminate their agreements.

### **Scenario 1 – Current Rates**

Scenario 1 establishes the baseline for the revenue analysis, in which the current three-tiered rate structure is maintained:

- Commercial Tenant: \$2.20 / m<sup>2</sup>
- Non-Profit / Private Tenant: \$1.10 / m<sup>2</sup>
- Government Tenant: \$0.95 / m<sup>2</sup>

As shown in Table 3, revenues to the Town of Golden are estimated at \$27,500 annually and at \$137,500 in total between 2021 and 2025.

### **Scenario 2 – Adjusted Rates, CPI Increase**

In the second scenario, the current rate structure is maintained; however, each rate is increased by 10% based on the historical CPI changes from 2016 to 2020:

- Commercial Tenant: \$2.43 / m<sup>2</sup>
- Non-Profit / Private Tenant: \$1.21 / m<sup>2</sup>
- Government Tenant: \$1.05 / m<sup>2</sup>

In Scenario 2, rates increase by 2% annually in subsequent years based on the assumed CPI. Annual revenues to the Town are estimated at \$30,500 in 2021, increasing to \$33,000 in 2025. Total revenues from 2021 to 2025 in Scenario 2 are estimated at \$158,300, which represents an increase of \$20,800 versus Scenario 1.

### **Scenario 3 – New Rate Structure, CPI Increase**

In Scenario 3, two new lease rate categories are established:

- Airport – Serviced: \$2.40 / m<sup>2</sup>
- Airport – Unserviced: \$1.80 / m<sup>2</sup>

Both rates are subject to increases on a yearly basis according to the BC CPI, which is assumed at 2% annually.

The Airport – Serviced rate would be levied on lots that are connected to the municipal potable water and sanitary sewer systems. This rate is based on the current commercial tenant lease rate, adjusted based on the CPI from 2016 to 2020. The Airport – Serviced rate is set at a level comparable to Cranbrook Airport and at a competitive discount versus Shuswap Regional Airport. It is expected that four of the Airport's eight tenants would be charged at the Airport – Serviced rate: Lots 2, 2A, 4, and 7<sup>1</sup>. For these tenants, the rate increase versus Scenario 1 ranges between 9% and 153%, with the largest increases being experienced by leaseholders that were previously billed at the least expensive government, private, and non-profit tenant rates.

The Airport – Unserviced rate accounts for several lots that are not currently connected to the municipal potable water and sanitary sewer systems. Four tenants (Lots 5, 5A, 8, and 11) could be charged at the Airport – Unserviced rate. In this scenario, two tenants would experience rate decreases of 18% versus Scenario 1, while the remaining two tenants would experience increases of 64% and 89%.

Annual revenues in Scenario 3 are estimated at \$40,000 in 2021, increasing to \$43,400 in 2025. Total revenues from 2021 to 2025 are estimated at \$208,600, which represents an increase of \$71,200 versus Scenario 1 and \$50,300 versus Scenario 2.

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<sup>1</sup> It is recommended that the Town confirm which lots are connected to municipal services



**Table 3 - Lease Rate Revenue Analysis**

Scenario 1 – Current Rates								
Lot	Lease Area (m <sup>2</sup> )	Classification	Rate	Annual Revenue				
				2021	2022	2023	2024	2025
2	1,680	Government	\$0.95	\$1,596	\$1,596	\$1,596	\$1,596	\$1,596
2A	5,956	Commercial	\$2.20	\$13,103	\$13,103	\$13,103	\$13,103	\$13,103
4	2,095	Private / Not For Profit	\$1.10	\$2,305	\$2,305	\$2,305	\$2,305	\$2,305
5	1,183	Private / Not For Profit	\$1.10	\$1,301	\$1,301	\$1,301	\$1,301	\$1,301
5A	1,211	Commercial	\$2.20	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664
7	3,113	Private / Not For Profit	\$1.10	\$2,867	\$2,867	\$2,867	\$2,867	\$2,867
8	2,463	Government	\$0.95	\$2,340	\$2,340	\$2,340	\$2,340	\$2,340
11	601	Commercial	\$2.20	\$1,322	\$1,322	\$1,322	\$1,322	\$1,322
Total Revenue – Annual				\$27,499	\$27,499	\$27,499	\$27,499	\$27,499
Total Revenue – 2021-2025								<b>\$137,493</b>

Scenario 2 – Adjusted Rates, CPI Increase								
Lot	Lease Area (m <sup>2</sup> )	Classification	2021 Rate / Change from Scenario 1	Annual Revenue				
				2021	2022	2023	2024	2025
2	1,680	Government	\$1.05 (+10%)	\$1,762	\$1,797	\$1,833	\$1,870	\$1,907
2A	5,956	Commercial	\$2.43 (+10%)	\$14,467	\$14,756	\$15,051	\$15,352	\$15,660
4	2,095	Private / Not For Profit	\$1.21 (+10%)	\$2,544	\$2,595	\$2,647	\$2,700	\$2,754
5	1,183	Private / Not For Profit	\$1.21 (+10%)	\$1,437	\$1,465	\$1,495	\$1,525	\$1,555
5A	1,211	Commercial	\$2.43 (+10%)	\$2,941	\$3,000	\$3,060	\$3,122	\$3,184
7	3,113	Private / Not For Profit	\$1.21 (+10%)	\$3,224	\$3,288	\$3,354	\$3,421	\$3,489
8	2,463	Government	\$1.05 (+10%)	\$2,583	\$2,635	\$2,688	\$2,742	\$2,796
11	601	Commercial	\$2.43 (+10%)	\$1,460	\$1,489	\$1,519	\$1,549	\$1,580
Total Revenue – Annual				\$30,419	\$31,027	\$31,648	\$32,280	\$32,926
Total Revenue – 2021-2025								<b>\$158,300</b>

### Scenario 3 – New Rate Structure, CPI Increase

Lot	Lease Area (m <sup>2</sup> )	Classification	2021 Rate / Change from Scenario 1	Annual Revenue				
				2021	2022	2023	2024	2025
2	1,680	Airport - Serviced	\$2.40 (+153%)	\$4,032	\$4,113	\$4,195	\$4,279	\$4,364
2A	5,956	Airport - Serviced	\$2.40 (+9%)	\$14,294	\$14,580	\$14,872	\$15,169	\$15,473
4	2,095	Airport - Serviced	\$2.40 (+118%)	\$5,028	\$5,129	\$5,231	\$5,336	\$5,442
5	1,183	Airport - Unserviced	\$1.80 (+64%)	\$2,129	\$2,172	\$2,215	\$2,260	\$2,305
5A	1,211	Airport - Unserviced	\$1.80 (-18%)	\$2,180	\$2,223	\$2,268	\$2,313	\$2,359
7	3,113	Airport - Serviced	\$2.40 (+118%)	\$6,914	\$7,052	\$7,194	\$7,337	\$7,484
8	2,463	Airport - Unserviced	\$1.80 (+89%)	\$4,433	\$4,522	\$4,613	\$4,705	\$4,799
11	601	Airport - Unserviced	\$1.80 (-18%)	\$1,082	\$1,103	\$1,126	\$1,148	\$1,171
Total Revenue – Annual				\$40,093	\$40,895	\$41,713	\$42,547	\$43,398
Total Revenue – 2021-2025								<b>\$208,646</b>

## **RECOMMENDATIONS**

Based on the research, analysis, and findings of this report, we make the following recommendations to the Town of Golden:

1. The discrepancies with respect to Lots 2, 2A, 5, 5A, and 8 should be addressed during the renegotiation of the respective lease agreements;
2. The revised rates of Scenario 3 are recommended for implementation by the Town, including the inclusion of provisions for annual changes based on the British Columbia CPI. The Airport – Serviced and Airport – Unserviced rates fairly reflect the fact that each tenant has equal access to the use and benefit of Golden Airport, account for differences in the costs borne by the Town in providing municipal services, and are competitive with Cranbrook Airport and Shuswap Regional Airport. Further, the revised rates will assist the Town in improving the financial sustainability of Golden Airport;
3. If the rates of Scenario 3 are not implemented, the rates of Scenario 2 are recommended to account for historic and future CPI increases; and
4. The Town should research the requirements for entering into leases beyond five years based on the Community Charter and consult with incumbent tenants to gauge interest.

HM Aero is available to support the Town of Golden in future matters regarding this subject. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

**HM Aero Inc.**



Per: Ben Crooks, RPP, MCIP  
Aviation Planner

cc: Adam Martin – HM Aero  
Viv Thoss – Town of Golden