

REGIONAL AIRPORT PROJECT

MINUTES OF THE MEETING

HELD: Monday, November 7, 2005 in the East Boardroom of the South West Centre for Entrepreneurial Development, located at 885 - 6th Avenue N.E., Swift Current, SK.

PRESENT: John H. Parker, General Manager, Southwest REDA/Southwest Community Futures; Rob Slinger, CEO, Regina Airport Authority; Steve Burchi, Vice President Operations & Corporate Services, Regina Airport Authority; Her Worship, Mayor Sandy Larson of Swift Current; Ed Wiens, General Manager, Wiens Agritec; Mark Frison, President & CEO, Cypress Hills Regional College; Teresa Cole, Program Coordinator, Cypress Hills Regional College; John Parry, Regional Manager, Saskatchewan Rural Development; Matt Noble, Chief Administrative Officer, City of Swift Current; Marty Salberg, Director of Business Development, City of Swift Current; Rob Niewenhuizen, Director of Engineering, City of Swift Current; Keleah Herron, Community Economic Development Officer, Southwest REDA/ Southwest Community Futures; Dianne Sletten, Regional Development Coordinator, Saskatchewan Rural Development; Sandra Blyth, Project Manager/Coordinator, Action Southwest Business Networks Coalition; Leslie Hennig, Office Administrator, Southwest Community Futures.

1. Call to Order – John Parker

Parker called the meeting to order at 10:05 a.m.

2. The road to the Regional Airport Project

The genesis of the Regional Airport Project occurred in November 2004, when Parker contacted Action Swift Current to inquire about the Swift Current Airport. At that time, the Tourism sector of the group was putting together test packages for foreign tourists and found that most of the feedback leaned towards concern over the lack of airport service in the region.

During an initial tour of the existing Swift Current airport in January 2005, Parker found that upgrades were needed for the runway and lighting systems, and that a new terminal building should be erected. The airport is currently being used by small aircraft pilots; West Wind Aviation uses it for daily courier services.

During Minister Clay Serby's June 2005 visit to our City, Parker broached the subject of the southwest's need for a regional airport in Swift Current, pointing out to the Minister that our hospital is a regional centre, the new performing arts/casino will be a boon to tourism, and that since part of our brand is accessibility, it is imperative that we give our citizens, visitors and business travelers airport service.

Parker made the following observations and suggestions on how to move the Regional Airport Project forward:

- the new regional airport should not be a burden to the City of Swift Current; it may be run by a non profit organization, or a regional corporation
- Need to bring in partners because we don't have the money to do this ourselves
- Make use of Saskatchewan resources – fund locally
- Go out into the municipalities to garner support
- Gain support of those in government who are proponents of economic development – i.e. the Hon. Eldon Lautermilch, whose comments indicate that airports and air service are vital for economic development
- Getting the provincial government on side may change the minds of government on a federal level

3. The state of the existing Swift Current Airport

a) Rob Niewenhuizen Report

The cost of running the Swift Current Airport runs between \$90,000 - \$100,000 annually, with revenues of around \$10,000. In the past, the City has applied for and been declined any outside funding. The facility runs, but does not sustain itself.

The City has maintained an aggressive maintenance schedule by resurfacing runways, painting lines; the lighting is good on the main runway, but not so on the secondary ones; the City is looking to decommission the taxi areas.

The main runway is 4500 feet long and would be sufficient for daily service to Regina. If, at some point in the future, one wanted to provide air service for Lear jets, then an extension of the runway would be required.

At this point, the airport cannot be used as a secondary location for emergency services.

b) Ed Wiens' Observations

Wiens would like to see improvements made to the washroom and passenger lounge facilities, along with 24 hour fuel availability. He has received negative feedback about our airport from fellow members of the Southwest Flying Club – they find the airport conditions so unsatisfactory that they would rather bypass the Swift Current locale altogether.

Burchi queries as to whether there is extra space available for cross country travelers to store their aircraft overnight. Wiens answers to the negative, stating that he and other private aircraft owners have built their own hangers at the airport for personal use.

c) Cardlock System

One of the issues affecting the current service at the Swift Current Airport is the lack of 24 hour fuel availability via a cardlock system. Wiens reports that many flyers and aviation businesses in Saskatchewan and Alberta avoid our airport because we do not have fuel available outside of the standard business hours.

Burchi suggests that the City of Swift Current provide fuel for the airport, this service would also be a source of revenue for the City. Niewenhuizen reports that the cardlock issue was brought to City Council, but they shut down the idea because they could not see a justification for such an expense if the cardlock system was not actively used.

The example of the Sioux Falls Airport was then examined – they were a small airport that succeeded in stages, acquiring a cardlock system from Esso, eventually adding on Budget Rent a Car, Enterprise Rental, and then building a runway extension – they now fly approximately 100,000 passengers annually and service an additional 25,000 tourists.

A plan of action may be to convince the right people to 'take the bull by the horns' by illustrating the negative consequences to our communities and to economic development of not making improvements to the airport, such as a cardlock system - momentum could be developed from that point forward and improvements could be made in stages.

4. The Regina Airport Authority

The Regina Airport Authority is a non- profit organization that manages and operates the Regina International Airport. Slinger, who's interests leans towards the structural, reports that they have a lot of latitude and are not integral with the government. Before Slinger came to the RAA, their sole focus was on the Regina Airport. His vision is to expand the Regina Airport to include the southwest region.

The Regina Airport Authority has a vested interest in the success of our regional airport, as our facility would extend customers to the Regina Airport. They could act as a cooperative agent for us with regards to the many funding envelopes – cooperating on these would give Swift Current a better chance of receiving funding dollars. Proposing to extend the main runway for economic gain, for example, brings in the economic development factor, which also increases our funding chances.

Burchi's interests lean towards the technical and operational. He wants to bring the Regina Airport Authority's expertise and assistance to Swift Current to establish scheduled airport service, which then opens up the window for federal funding. The Regina Airport Authority can work with partners in southwest Saskatchewan to offer advisory services, maintenance services, and operational advice on how to move our project towards success. They would like to use Swift Current's regional airport as a template for a success story if we decide to partner with the RAA.

5. Contact with Carriers

Parker had a discussion with Carl Ray from SNC-Lavalin out of Vancouver, about expanding the Swift Current Airport. He found that Ray's interest was in building mega airports, and that our \$5 million dollar project was not a good fit with his vision. Ray did state that his company was wanting to break into smaller markets, but Parker's discussions with him have not gone beyond the preliminary stage.

Noble reports that the City has been in preliminary discussions with Peace Air and West Wind.

Frison states that they are working with one commercial carrier to review the air survey for its accuracy. Additionally, demand analysis has been floated up to West Wind – there is no feedback to report yet.

Slinger advises to get a hard number from West Wind as to what their minimum threshold is for offering service and then go from there – get our community and region to do whatever it takes to reach that threshold; have the top ten organizations commit to purchasing tickets, i.e. the travel bank concept.

6. Travel Bank

Slinger introduces the travel bank concept, in which communities mobilize to commit a certain amount of travel dollars to support airport service. He has found that travel banks are usually so successful, that after the first year, that they become self-sustaining to a point where the community isn't required to continue subsidizing the airport.

Slinger encourages the group to engage the Chamber of Commerce and other economic agencies in Swift Current to group together to commit to buying a certain number of flights per year. Noble concurs and suggests getting commitments from a growing list of agencies that includes:

- SARM
- RCMP
- Band Council
- Cypress Health Region & other health professionals
- Casino
- Oil & Gas Companies

Slinger wonders how many R.M.'s would be interested in air service. Mayor Larson believes that all of them would be interested; Blyth surmises that at least 50 or 60 R. M.'s would utilize airport services.

Parry requests a framework of the mechanics of travel banks. Burchi has models available that he will forward to the group.

7. Potential Roadblocks

Noble asks Burchi and Slinger if projects that are already in the works at the Swift Current Airport – namely, the Speedy Creek Racing Club's use of the east/west runway

and a mechanic who might set up shop on the grounds – would impact what is done with the Regional Airport Project. Slinger does not see such projects posing any operational problems, as long as they are compatible with the airport, and the arrangement is structured so that aviation related use has controls in place to reverse the facility back to airport use as required. The Regina Airport Authority currently has two projects on the go that are using part of the airport as industrial land. Additionally, these non aviation related projects help supplement the cost of running the airport.

Frison suspects that the airport may face a seasonality issue. Burchi responds that Spring, Summer, Fall and Winter have their own cycles – the Fall, for example, sees an influx of hunters; Winter is offset by road conditions – people will avoid the hazardous road conditions and fly instead; there will be tourists flying in the Summer. The cycles do even themselves out.

8. Market Research

Parry would like to see the focus turn toward the market aspect - launch a study of the market that will drive the establishment of air service. He believes we have the conditions to establish daily service in Swift Current. Parry looks at the metrics of commercial operators in Medicine Hat and Calgary – there are four flights daily between the two cities – a service going from Regina to Swift Current and Medicine Hat would not be seen as substantial competition to the two large Alberta operators.

Parry's plan of action includes firming up connections to commercial operators, using the results of the survey in the formation of the business plan, and attracting a larger carrier – upgrades would follow from there.

Burchi and Slinger underscore the importance of having Swift Current do its own market research and presenting the results to prospective air carriers – it is not up to the carriers to do your market research for you.

Frisson and Cole have put together an airport survey, the results of which will be the basis for a business plan to apply for federal funding. The survey will be assessing the demand for service on the business side, who the large users would be; key personnel of businesses in the region will be interviewed.

Slinger requests a copy of the survey from Frison.

9. Supplementary Services

As the project moves forward and activities increase at the new regional airport, Burchi believes that more services will be required. There may be an opportunity to become a Canada Customs clearance centre for hunters – currently, hunters from the States who are in our area must travel to Regina to clear customs before they can return home. The extra miles traveled are very inconvenient, that problem would be solved if the service were provided here. It should be noted that Medicine Hat does not provide this service, either.

Wiens points out that the Can Pass system allows pilots to bypass stopping at Regina Customs altogether – pilots call into the Customs office mid-flight or while fueling up, file their report and make an entry into their flight log book. Additionally, the RCMP can perform customs searches on behalf of Canada Customs. He adds that a lot of discussion would have to take place in order to become a customs entry airport.

If the Swift Current Airport establishes passenger service, fire protection regulations would have to be implemented, and fire safety vehicles and equipment would be required to be on site.

10. Next Steps

- To present the Regional Airport Project to groups and communities in the region - Blyth will be speaking at a SARM event on November 16, where she will present details of the project to get proper political support; Parker will attend the next Southwest Municipal Government meeting on November 17; Mayor Larson will discuss the project at the next Southwest Tourism meeting on November 16
- The survey is on the go; we will analyze the results as they become available
- Southwest Community Futures could be approached for consideration to be a financial partner in compiling the results of a feasibility study
- We will find funds to facilitate the feasibility study; Parker will get approval from the CF Board to contribute \$5000
- Information from this meeting, the survey and a feasibility study will be compiled and put into proper perspective; priorities will be identified in order to move ahead on the project
- The Regina Airport Authority may have in kind resources available to assist with the project, over and above their paid services

Parker adjourned the meeting at 11:48 a.m.

Date

**Approved by John H. Parker,
SREDA**

**Leslie Hennig,
Recording Secretary**