



City of
Peterborough

To: Members of the Airport Strategic Initiatives Committee
From: Kyle Bruce, Manager, Airport Administration
Meeting Date: September 26, 2024
Report: Investment Leads, Report ASIC24-006

Subject

A report to provide information regarding short term investment leads.

Recommendation

That the Airport Strategic Initiatives Committee approve the recommendation outlined in Report ASIC24-006, dated September 26, 2024, of the Manager, Airport Administration as follows:

That Report ASIC24-006 be received for information.

Executive Summary

- The airport actively seeks and identifies opportunities across sectors identified within the Airport's Master Plan.
- Three immediate investment leads have been identified for short-term development.

Background

The airport continues to explore opportunities for development and expansion to support the airport's mission to sustainably drive economic growth as a regional aerospace, innovation, education, and an employment hub.

Ongoing outreach and engagement efforts have generated several development opportunities and connections to foster continued growth and business development.

Short-term Leads

Airport management is fostering the following development opportunities, which are viewed as potential drivers of investment within the next year.

A. Flight Training Unit

A flight training unit has expressed interest in basing their operations at Peterborough Airport.

The company supports a workforce of 50 employees including instructors, 9 aircraft maintenance engineers, and 16 operations, administrative and management staff.

Pending execution of a lease, the company intends to construct a 21,000 square foot facility, an aircraft parking area, and a parking lot to support their operations. The total area of the ground lease could range from 100,000 to 150,000 square feet.

The company plans to commence operations in the Summer of 2025.

B. Commercial Hangar Development

A developer that specializes in commercial and industrial real estate developments is planning to construct a multi-tenant commercial hangar at Peterborough Airport. Their goal is to offer clients long-term value and growth, through a straightforward business model. They enter into long-term airport land lease agreements, build hangars, lease them to aviation tenants and guests and actively manage the property.

Currently, the firm is developing a preliminary site plan and marketing package, with plans to advertise and attract aviation tenants to their planned facility at Peterborough Airport.

The company plans to construct a 20,000 – 30,000 square foot facility. This development would serve as an initial step in attracting operators and business aircraft from other airports.

The potential construction of this project will be in 2025 – 2026.

C. Energy Production

An energy production company is proposing a solar project for the Airport, with a focus on leasing both the North and South parcels of excess land, totaling approximately 100 acres. An alternative option involves developing a smaller project on the southern portion, around 60 acres, pending the results of further environmental and capital cost analyses.

An exclusive development option for the land is being sought for at least five years, with the potential for extension should the company meet certain development milestones. If the project receives funding, a 20-year lease is anticipated, with additional extension options.

The economic considerations between different technologies are being reviewed. While option payments would be similar, lease payments and compensation will vary depending on the technology chosen. Solar, being land-intensive, would result in lower payments per acre compared to other options such as energy storage. A mock site layout plan is being developed to provide a clearer understanding of the project's footprint. Environmental and impact assessments would commence following an agreement.

Further negotiation on lease rates is required in addition to consultation with the Township of Cavan Monaghan. In addition, an aeronautical study to assess reflectivity of the solar panels and impact to aviation safety would be required.

The company is seeking an initial five-year option agreement within the next six months.

Peterborough & the Kawartha Economic Development (PKED) and Airport Management continue to foster connections related to other future opportunities associated to developmental technology, manufacturing, engineering, and research.

In October 2024, Airport staff will be attending the Downsview Aerospace Innovation, and Research (DAIR) event. "Leveraging our Innovation Ecosystem", located at the Bombardier Centre for Aerospace and Aviation.

Strategic Plan

Strategic Pillar: Growth & Economic Development

Strategic Priority: Position the City as a destination of choice for claiming its fair share of innovative business and people in Ontario.

This aligns with the strategic pillar of growth and economic development, positioning the airport to attract a unique and diverse range of aviation and aerospace businesses.

Budget and Financial Implications

There are no budget and financial implications associated with this report.

Conclusion

There are three companies that are planning investment at Peterborough Airport over the next year. This includes a flight training unit, development of a commercial aircraft hangar, and an option over excess airport land to develop energy infrastructure.

Submitted by,

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