

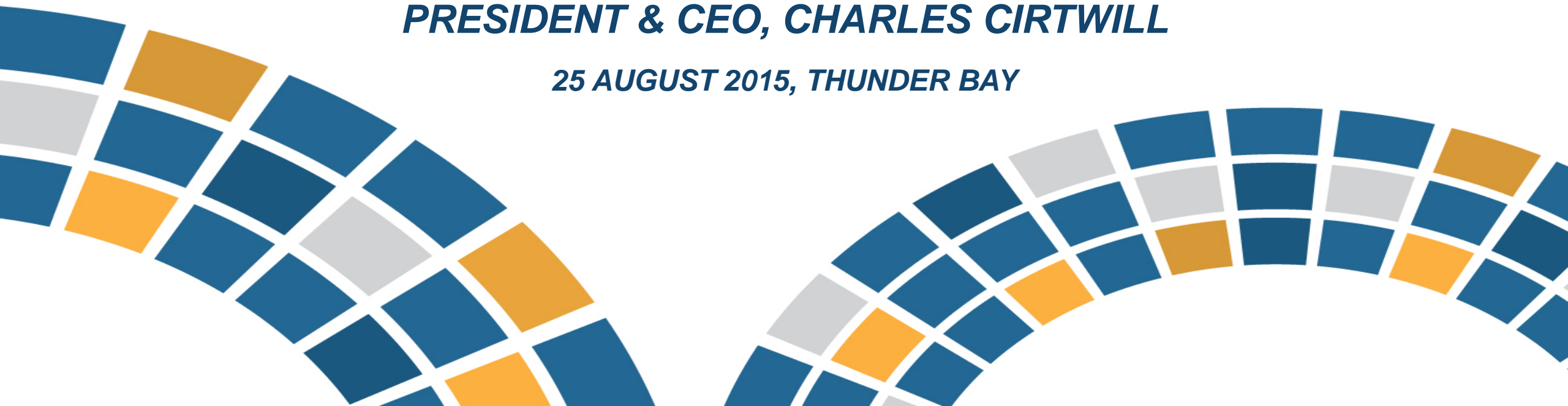
**NORTHERN**  
POLICY INSTITUTE

INSTITUT DES POLITIQUES  
**DU NORD**

**THUNDER BAY INTERNATIONAL AIRPORT AUTHORITY  
BOARD OF DIRECTORS**

***PRESIDENT & CEO, CHARLES CIRTWILL***

***25 AUGUST 2015, THUNDER BAY***



# What IS Northern Policy Institute

Independent -

There are a couple of **BIG** differences between “working **WITH** a Policy Institute” and “**HIRING** a consultant”: we don’t work for you and we can’t guarantee an answer you will like.

Independent means just that –

- Funders, members and stakeholders do not direct the work of Northern Policy Institute.
- Board, funders, members and stakeholders do not “pick” projects or pre-determine results.
- Staff and contract authors follow the evidence.
  - Northern Policy Institute does **NOT** take positions – we ask the questions – the authors provide, and defend, the answers.
  - Their analysis is tested before publication: Double blind peer review – just like academic journals.

# A word of warning – supply side risk

Working Age Population (20-64)	1996	2015	2025	2035	Difference from 2015-2035
Canada (x1000)	17458.5	22229.2	22667.5	23391.6	1162.4
Ontario (x1000)	6507.2	8545.3	8762	8898.6	353.3
Northwestern Ontario	142775	145480	134110	<b>124770</b>	<b>-20710</b>
Northeastern Ontario	246605	335310	303110	279330	-55980
Thunder Bay	94,365	93190	84120	77720	-15470

Sources:

1996 Census.

CANSIM Table 052-0005.

Statistics Canada/Ministry of Finance- *Ontario Population Projections Update, 2012-2036.*

# What do you want to do?

## Grow the airport?

- If you are a local hub, this makes sense as your focus.
- The ? = who do you serve?

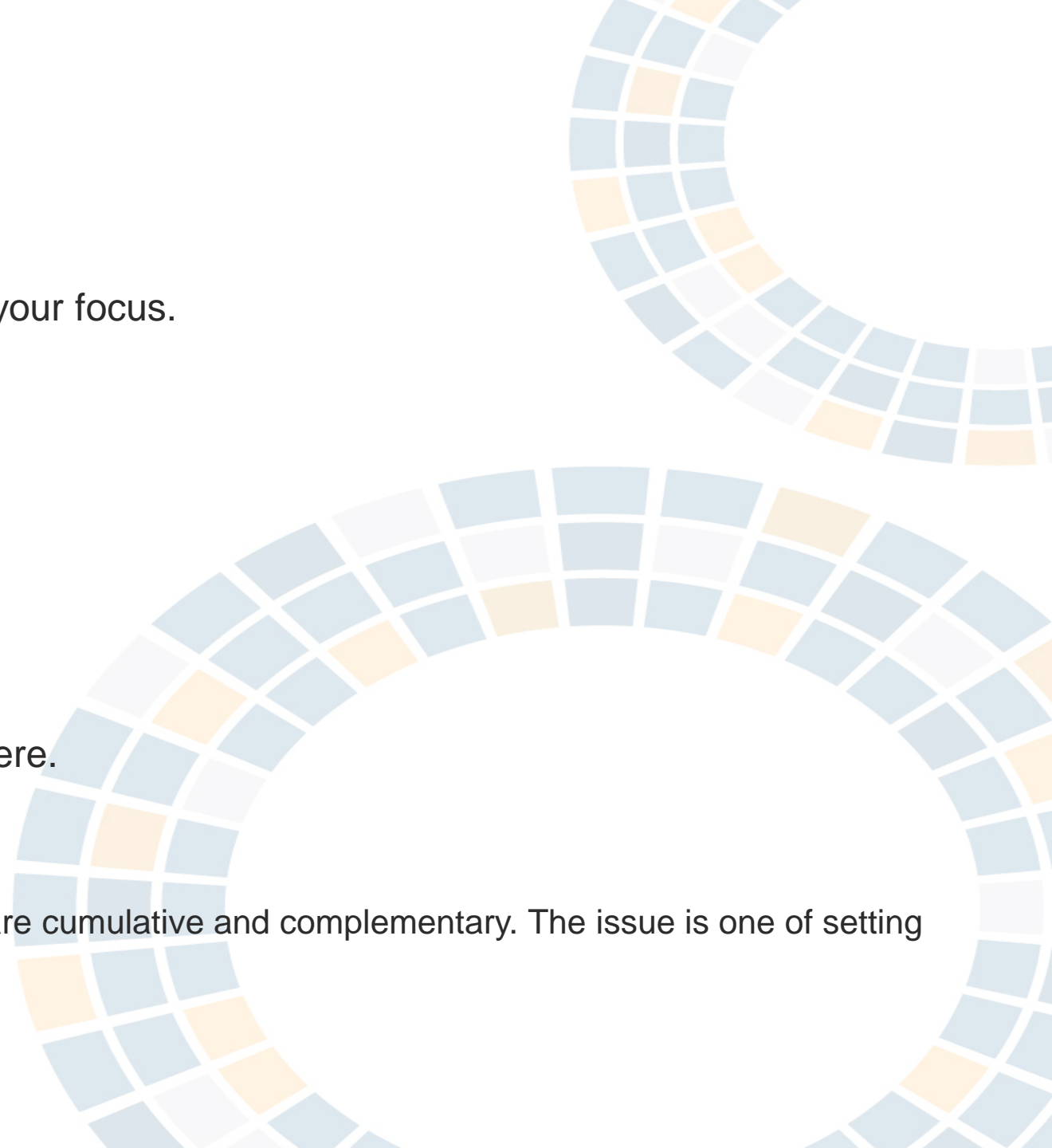
## Grow the city?

- If you are a regional hub, this makes sense.
- The ? = who do you compete with?

## Grow the region?

- If you are a provincial/national hub, invest here.
- The ? = who impacts your growth?

NB – the investments are NOT mutually exclusive, they are cumulative and complementary. The issue is one of setting priorities.





# Definitions (simplified)

## Passenger volume:

- Total passengers enplaned and deplaned

*Source: CANSIM Table 401-0044*

## Itinerant movements:

- Itinerant movements are considered as movements in which aircraft proceed to or arrive from another location

*Source: CANSIM Table 401-0023*

## Flights:

- Regularly scheduled flights by domestic and foreign carriers

*Source: Air Carrier Traffic at Canadian Airports (51-203-X) Stats Can*



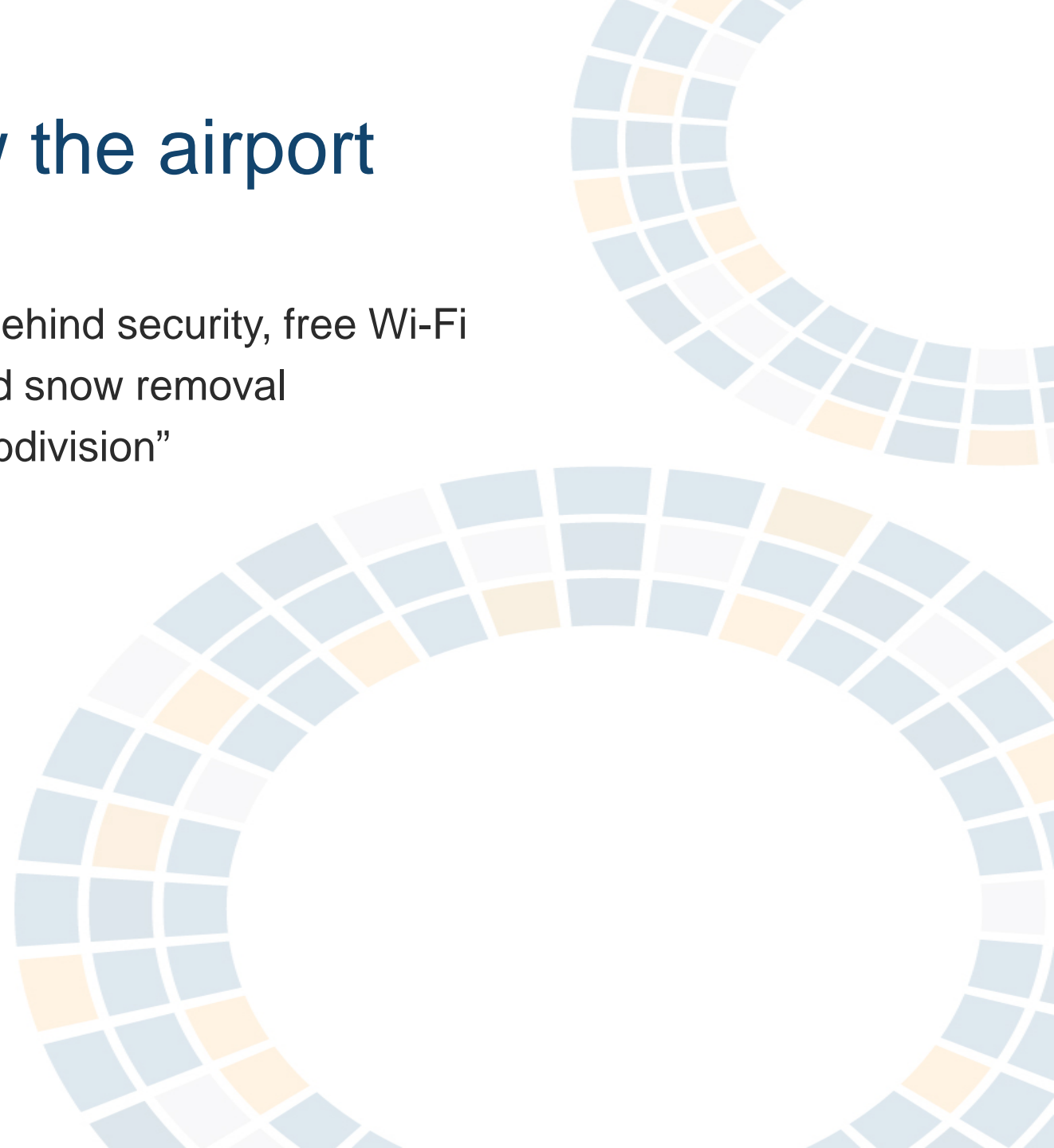
# Food for Thought 1: Grow the airport

## Recent additions:

- Traveler services – Tim Hortons kiosk behind security, free Wi-Fi
- Capacity – runway extension, enhanced snow removal
- Industry supports – the commercial “subdivision”

## Before more investments, need to know:

- Who are you competing with?
- What are you competing for?



# A competitor - Duluth

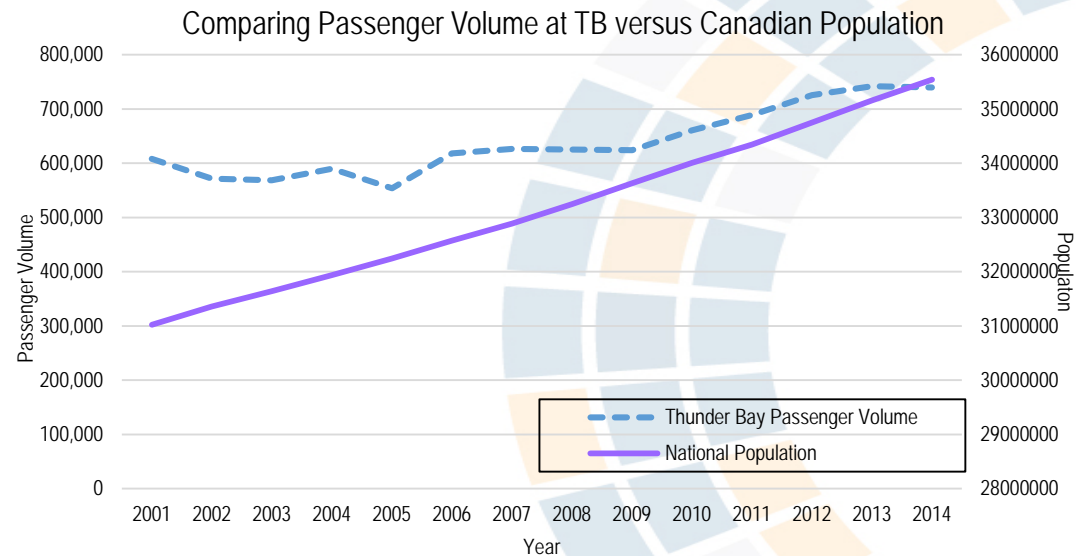
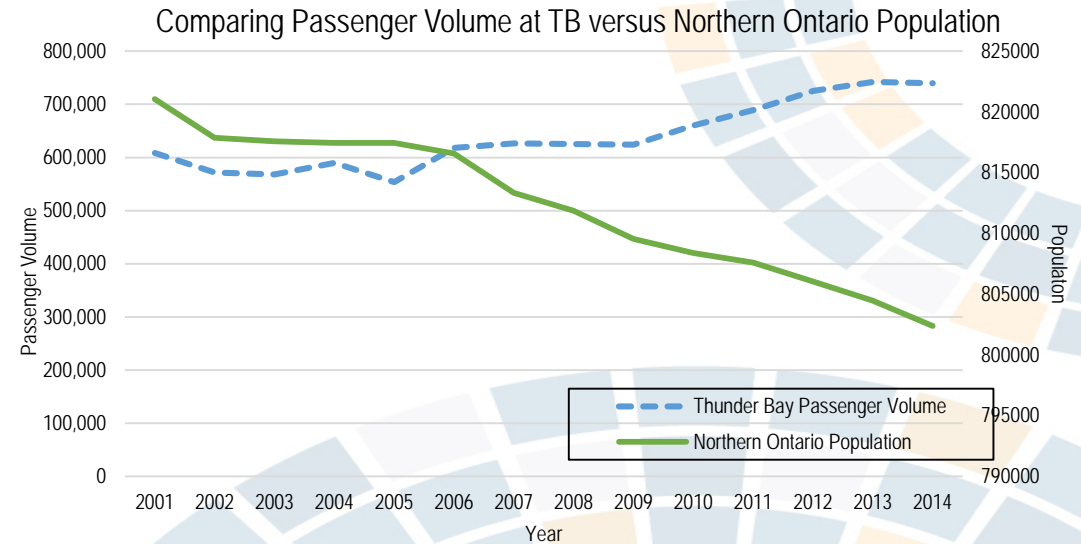
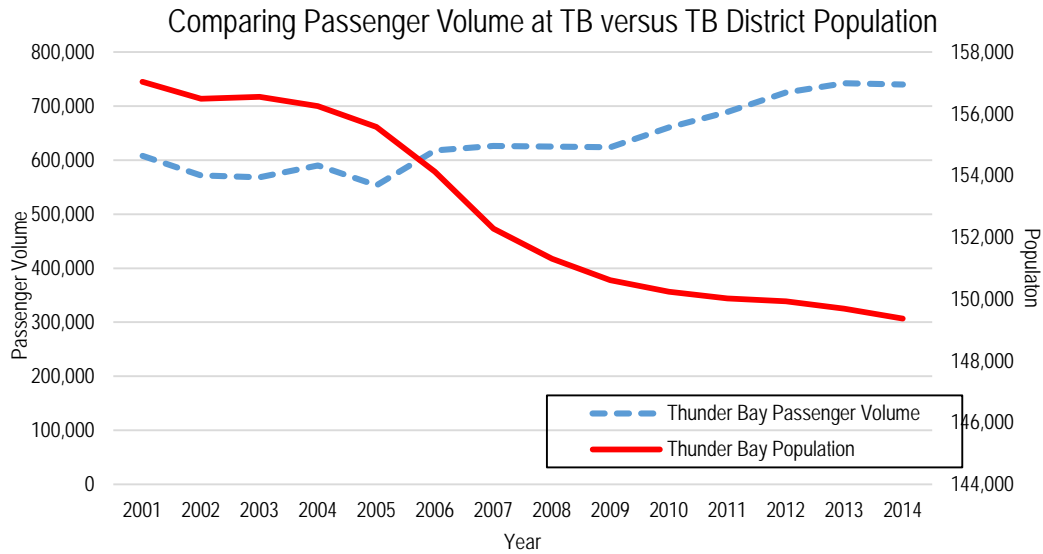
“**Duluth** got the Air Canada repair contract because they had this building. Companies won't come here (to Thunder Bay) if they have to wait 3 years for a building.”

- Site selector

Duluth Aviation Campus

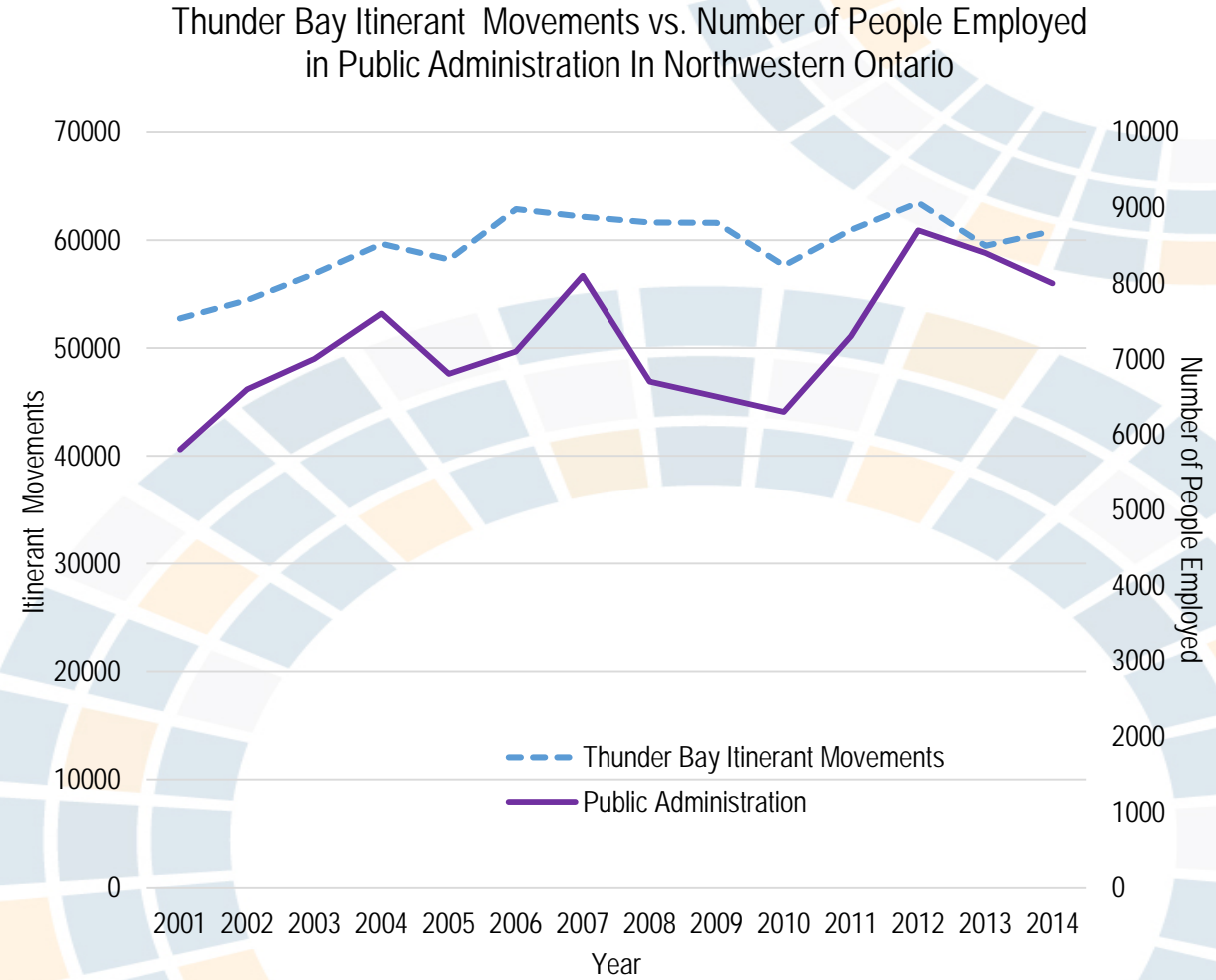
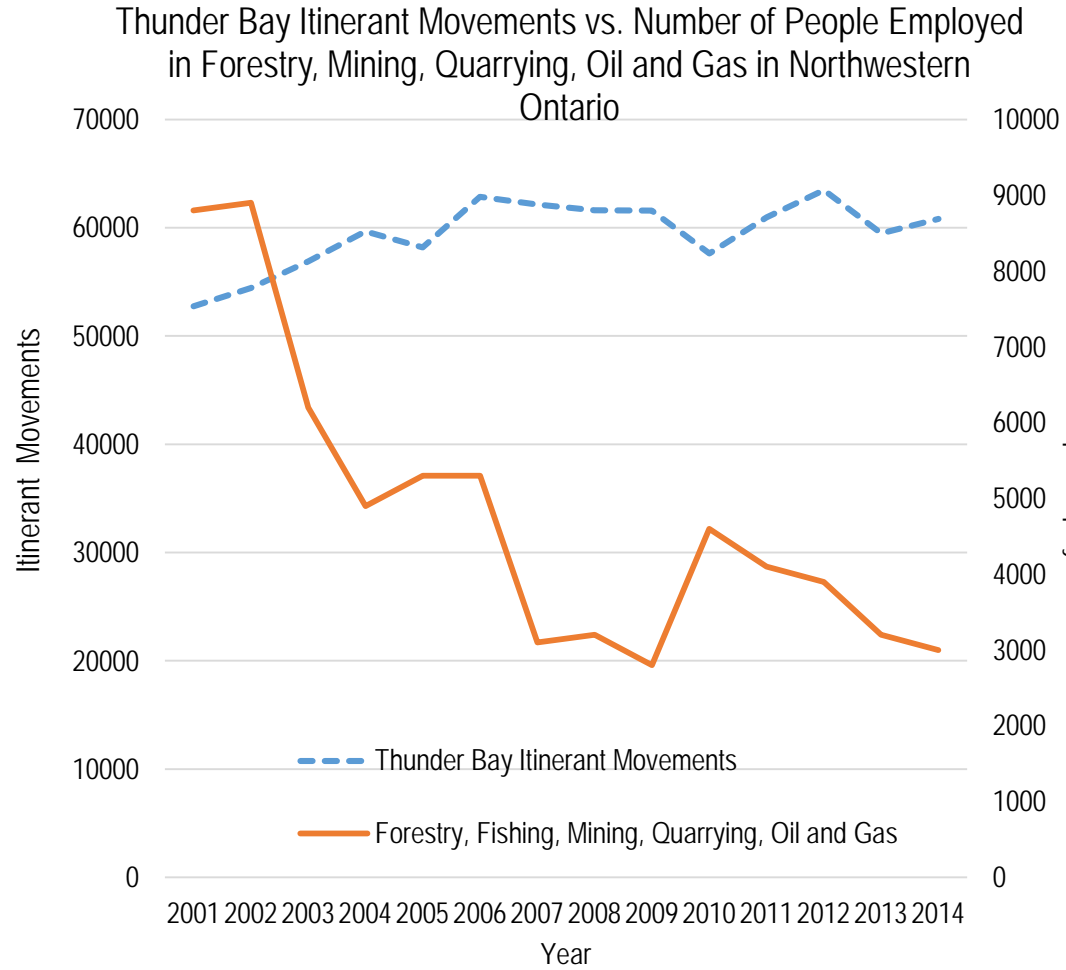


# Local population – not that critical for TBIA



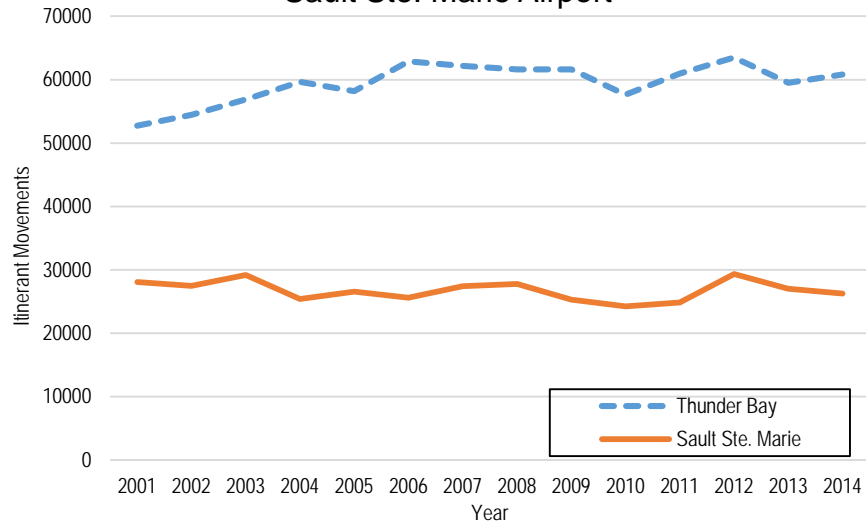


# Public Servants matter to you

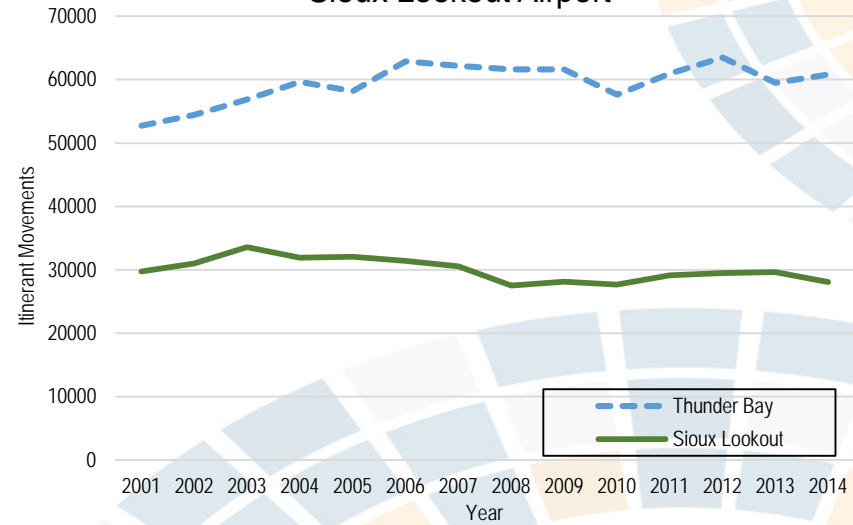


# Northern airports – mostly similar patterns

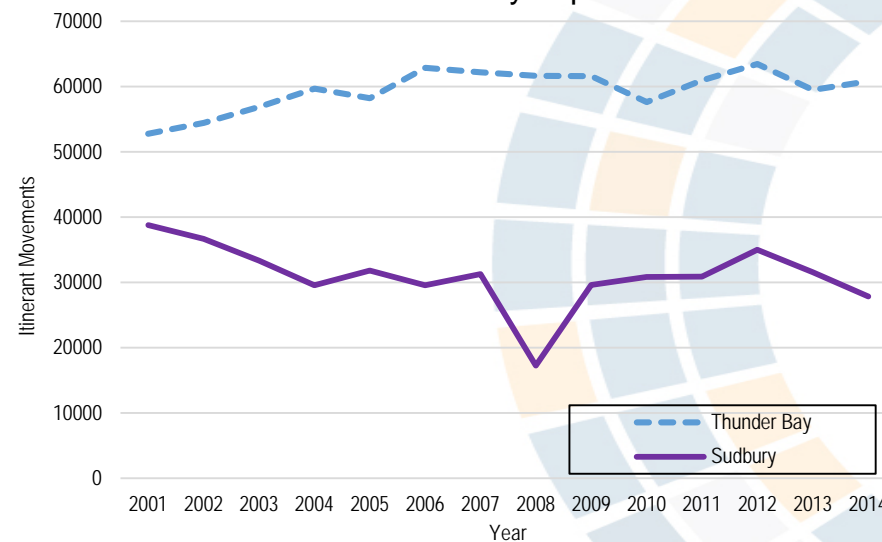
Comparing Itinerant Movements at TB and Sault Ste. Marie Airport



Comparing Itinerant Movements at TB and Sioux Lookout Airport



Comparing Itinerant Movements at TB and Sudbury Airport



# Food for thought 2: Grow the city

Rotterdam: European trans-modal leader



Thunder Bay – very proximate layout to Rotterdam – yet few reported trans modal linkages

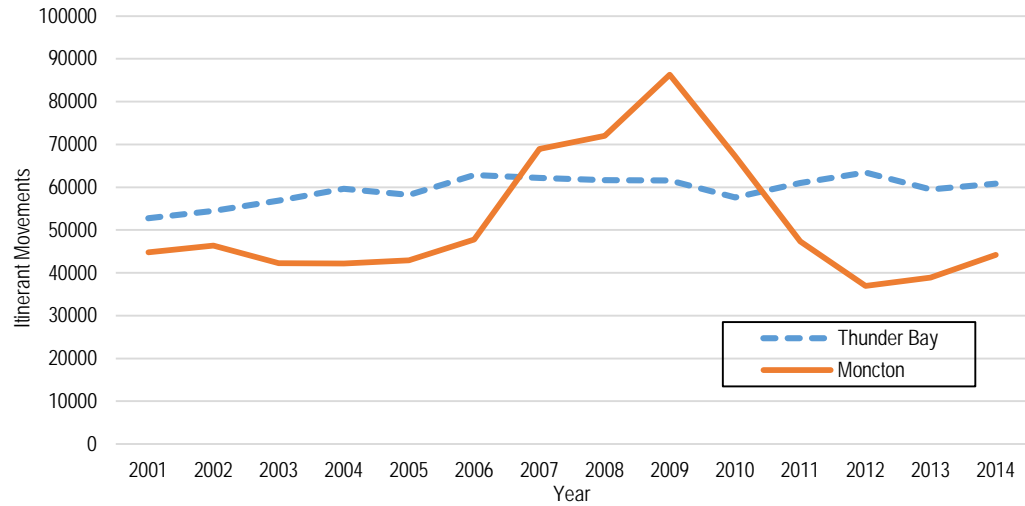
Source: Google Earth

# Getting from Thunder Bay to Rotterdam via Charlotte Douglas International Airport

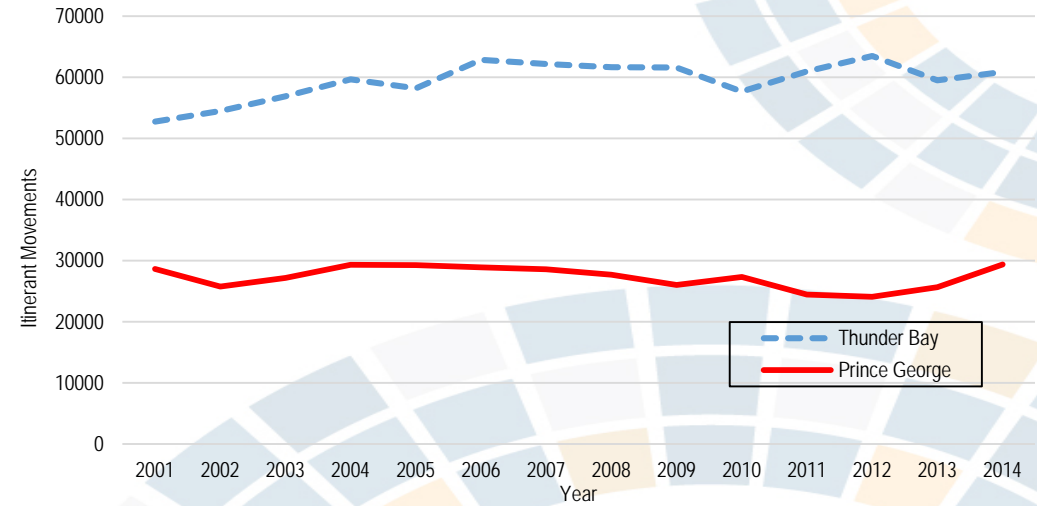
- While airports play a significant part in economic growth and stability, the Carolina's Charlotte Douglas International Airport (CLT) is taking it to an entirely new level. With development of a third parallel runway, an interior rail freight terminal, and a major air cargo complex, CLT is transforming itself into an air hub of the future — all modes available, all of the time. This will place CLT in a unique position with integrated, multimodal capabilities, providing Charlotte with a new foundation for economic activity and a distinct competitive advantage in the global marketplace.
- How did Charlotte develop a global vision for the 21st Century — a vision which addresses the regional economy, workforce, and environment — and how is this vision being realized?
- Therein lies a story of planning, coordination, and execution.

# Movement pattern not hugely\* different outside the north

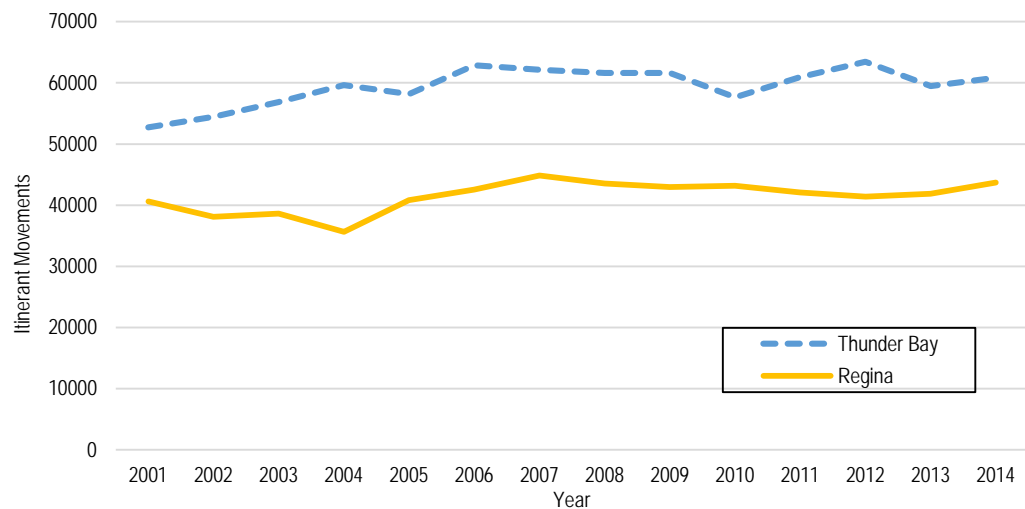
Comparing Itinerant Movements at TB and Moncton Airport



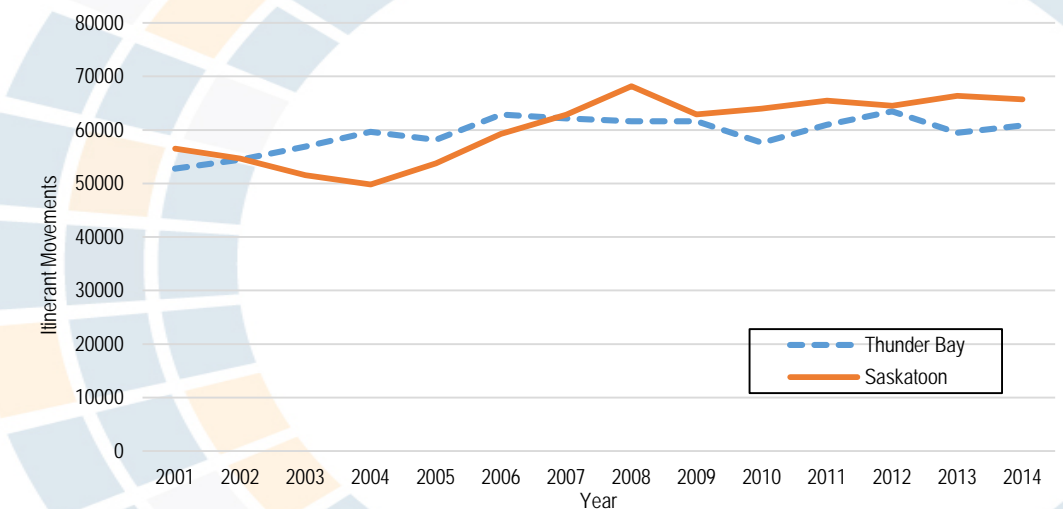
Comparing Itinerant Movements at TB and Prince George Airport



Comparing Itinerant Movements at TB and Regina Airport

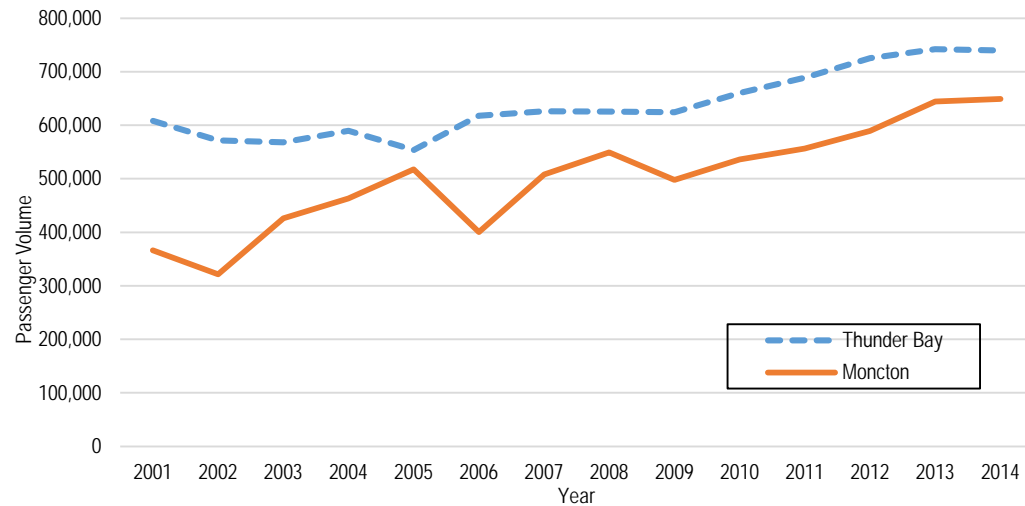


Comparing Itinerant Movements at TB and Saskatoon Airport

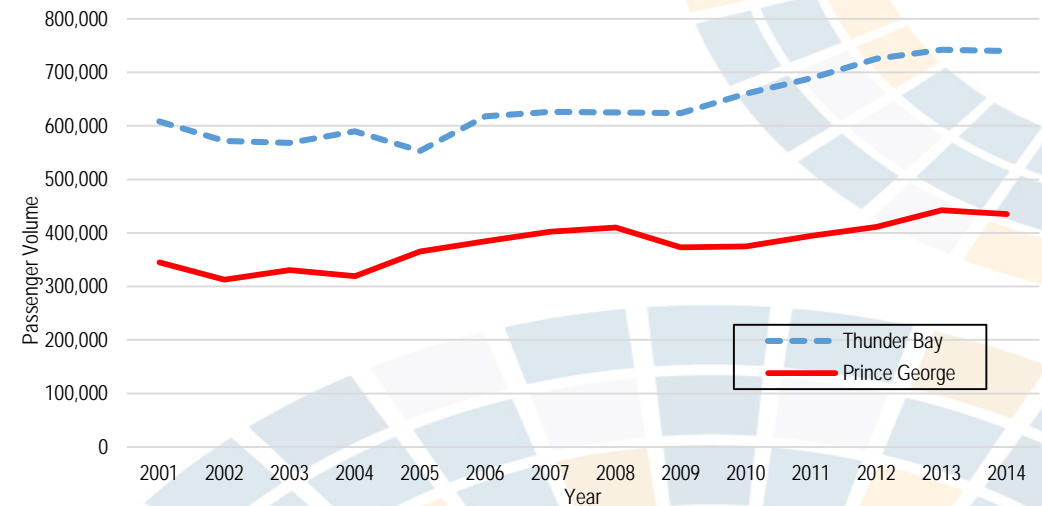


# Saskatchewan is seeing a people spike

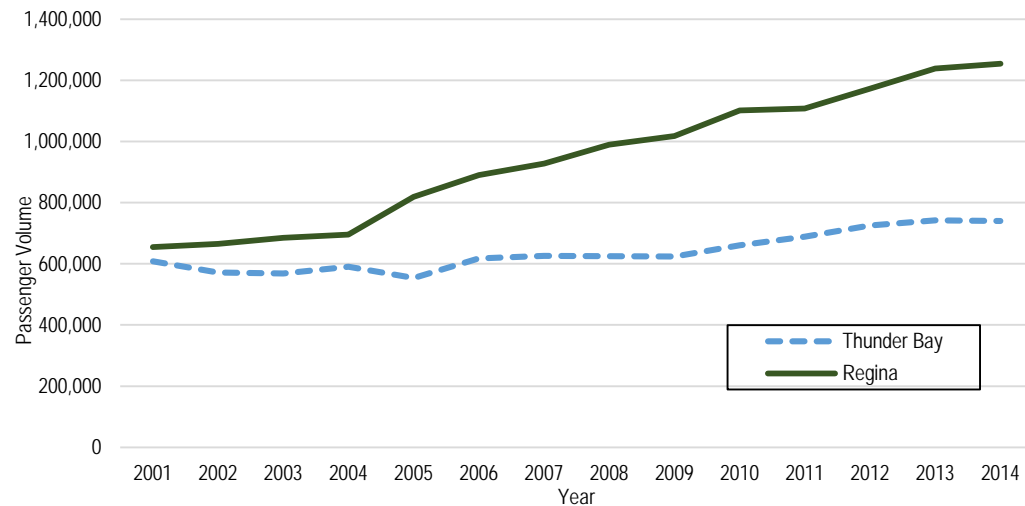
## Comparing Passenger Volume at TB and Moncton Airport



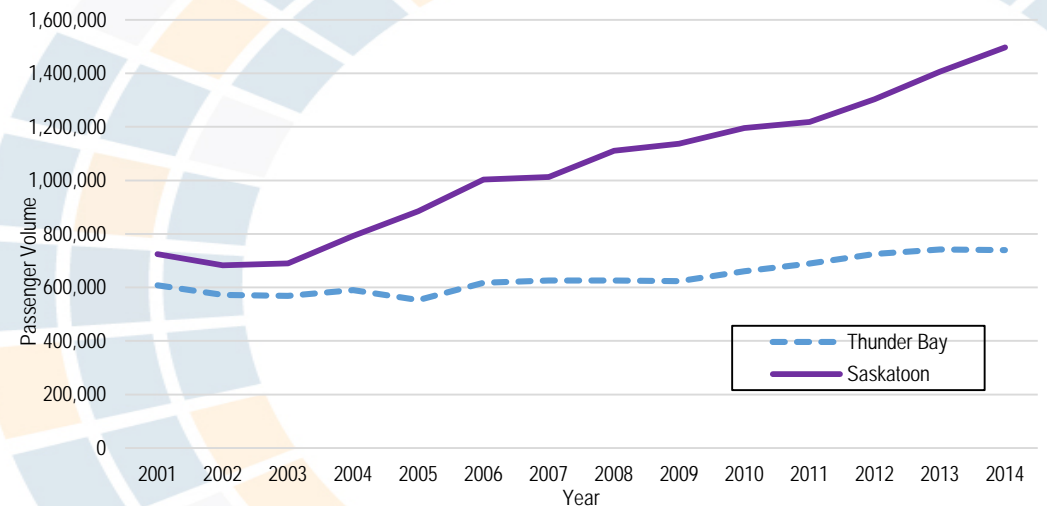
## Comparing Passenger Volume at TB and Prince George Airport



## Comparing Passenger Volume at TB and Regina Airport



## Comparing Passenger Volume at TB and Saskatoon Airport



# Food for thought 3: Regional Transportation Authority

## The Airport/Port Transportation Authority Model

Is It Applicable for Ontario's Ring of Fire Mineral Development?

By Nick Mulder

Released June 17<sup>th</sup> 2014

- Arms length
- Community managed
- Shared risk
- Shared investment
- Market driven
- Needs based
- Flexible and responsive
- No “if you build it” – THEY build it

THE WALL STREET JOURNAL.

U.S. EDITION Wednesday, June 18, 2014 As of 9:34 AM EDT

June 18, 2014, 9:34 a.m. ET

(MKTW) KWG Applauds Northern Policy Institute Commentary

NORTHERN ONTARIO  
**Business**

ESTABLISHED 1980

Published on: 6/17/2014 4:00:00 PM

Think-tank report calls for Ring of Fire port authority

By Northern Ontario Business staff



**RESOURCE CLIPS**

*Clear, accurate mining/exploration news*

New way to the Ring of Fire?

A think tank suggests Ontario's development corporation is on the wrong track

# Example: Port Authority of New York/New Jersey

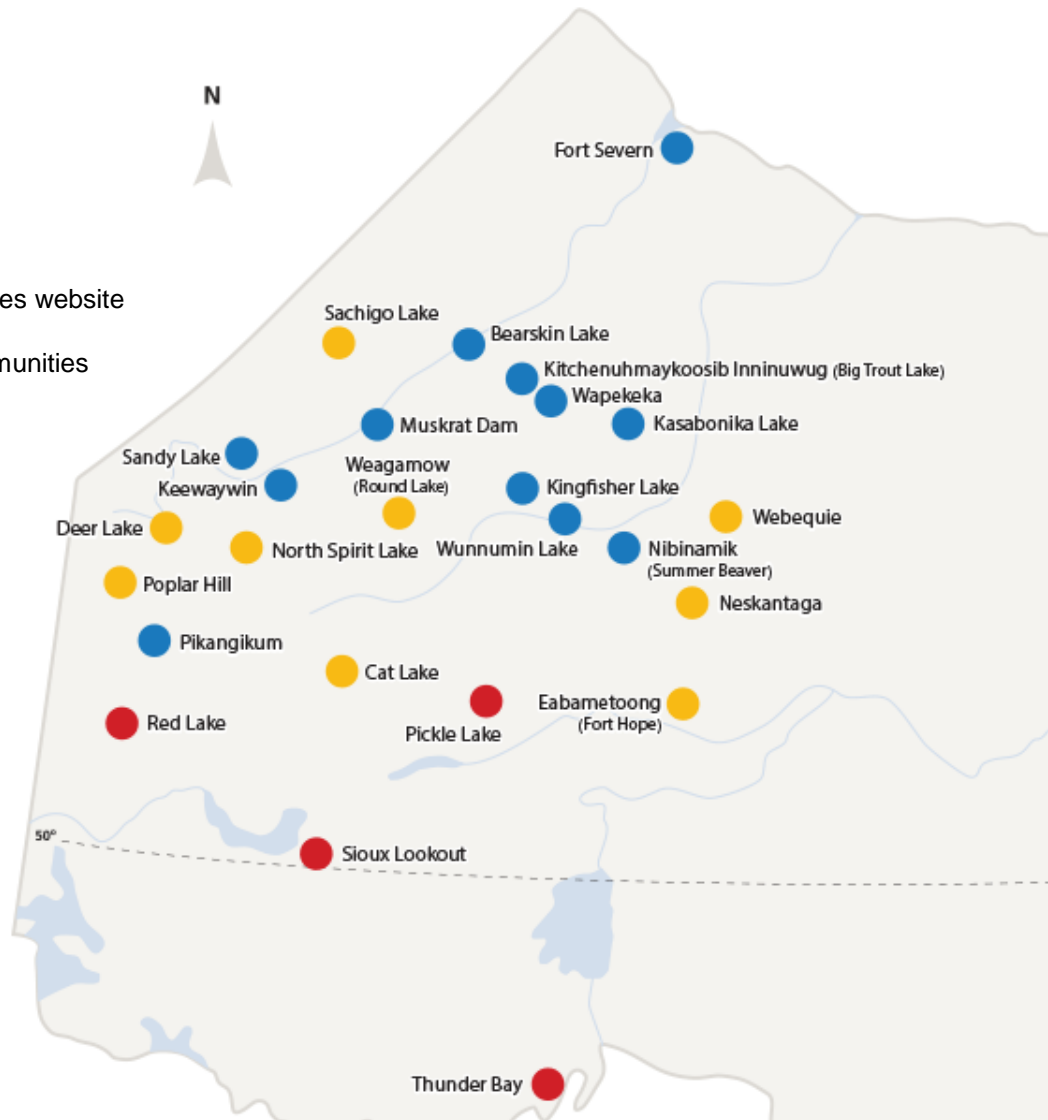


The Port Authority of NY & NJ builds, operates, and maintains critical transportation and trade assets. Its network of aviation, rail, surface transportation and seaport facilities annually moves millions of people and transports vital cargo throughout the New York/New Jersey region. The Port Authority also owns and manages the 16-acre World Trade Center site, home to the iconic One World Trade Center.

Source: PNYNJ website



# An integrated regional supply chain?



What if the blue and yellow dots were red? Or dashed red?

TBIA could invest in small permanent cargo facilities in remote communities. Single secure design. Staffed (even PT) and available on time and on schedule.

Opportunity: S/MT – single window service, integrated supply chain, control costs, reduce price

Risk: LT further road investment and road beats air for cargo...but NY/NJ owns trains, buses, subways, air and port...

# Reminder: Other modes own assets across the supply chain



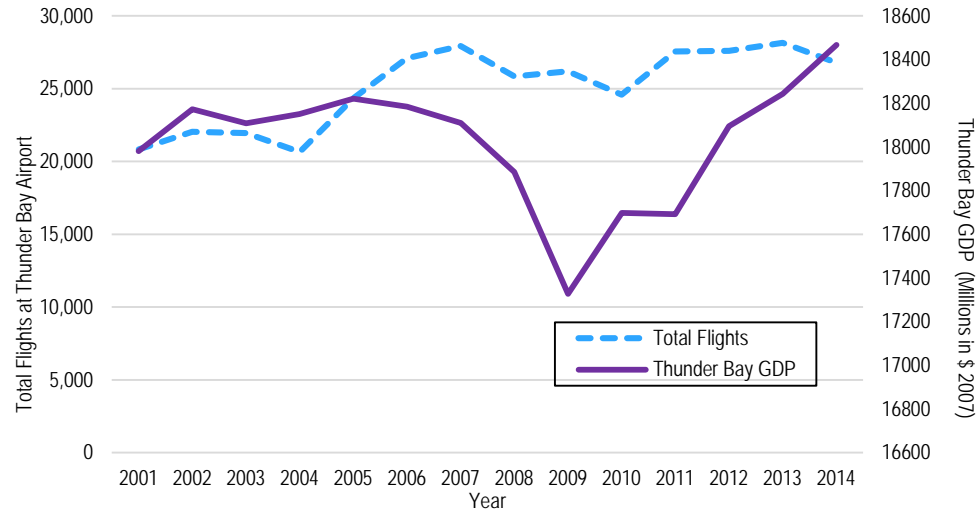
Atlantic Gateway Logistics Park



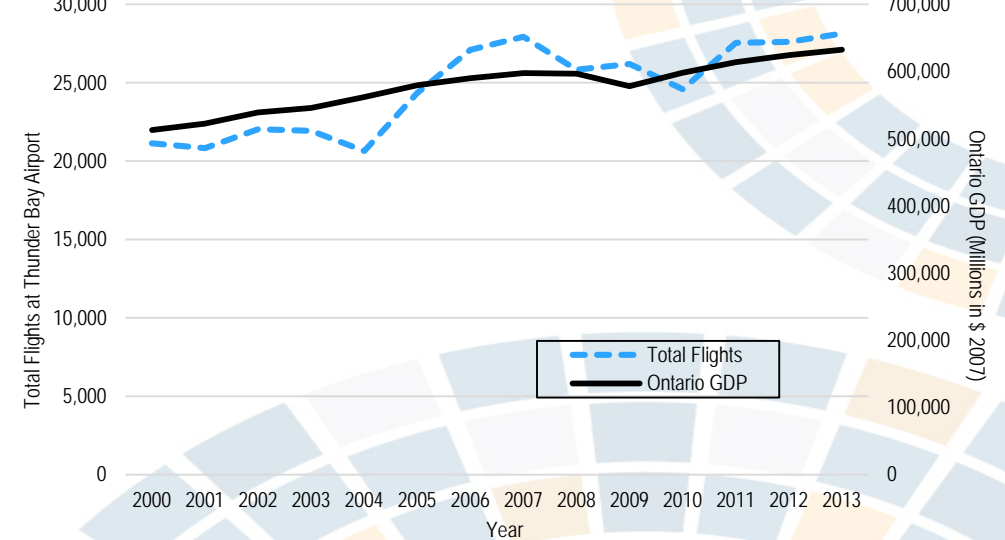
Midland transport – intermodal warehouse

# Economic alignment with TBIA – surprise?

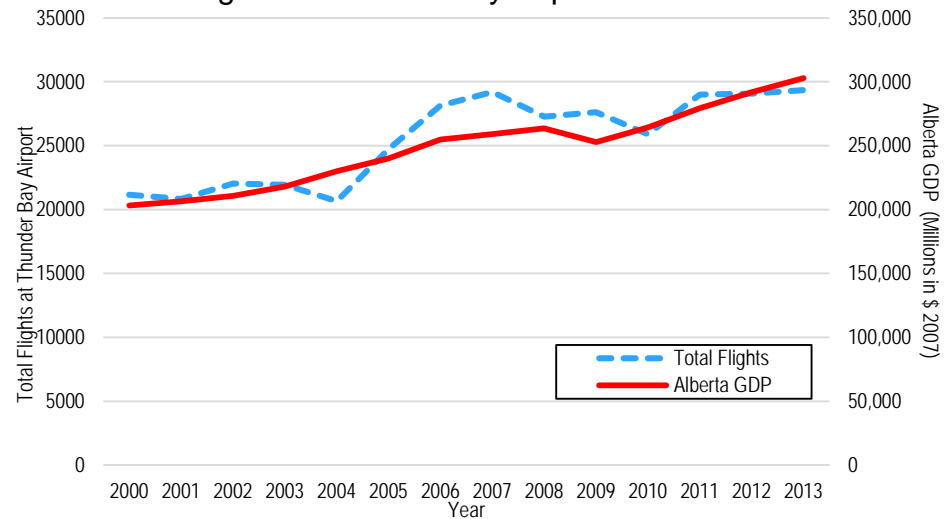
Total Flights at Thunder Bay Airport vs. Thunder Bay GDP



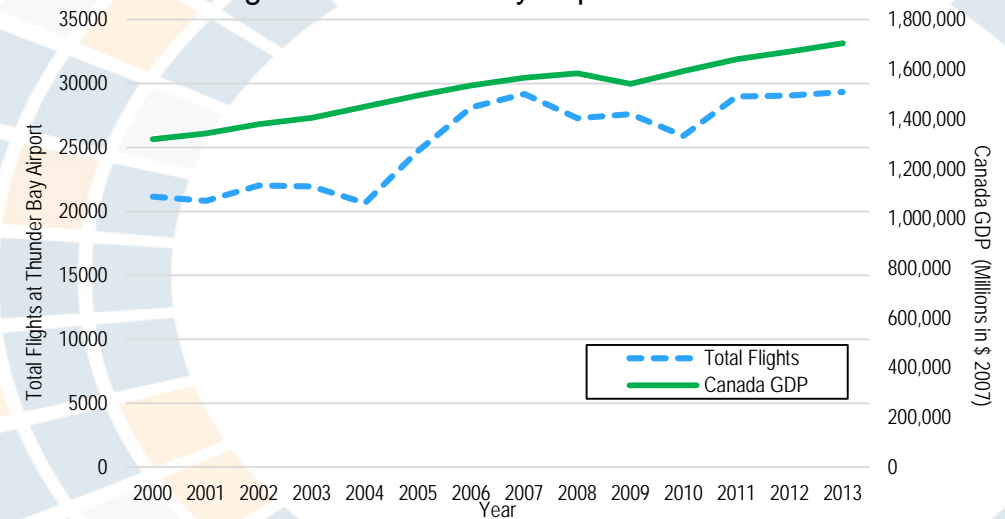
Total Flights at Thunder Bay Airport vs. Ontario GDP



Total Flights at Thunder Bay Airport vs. Alberta GDP

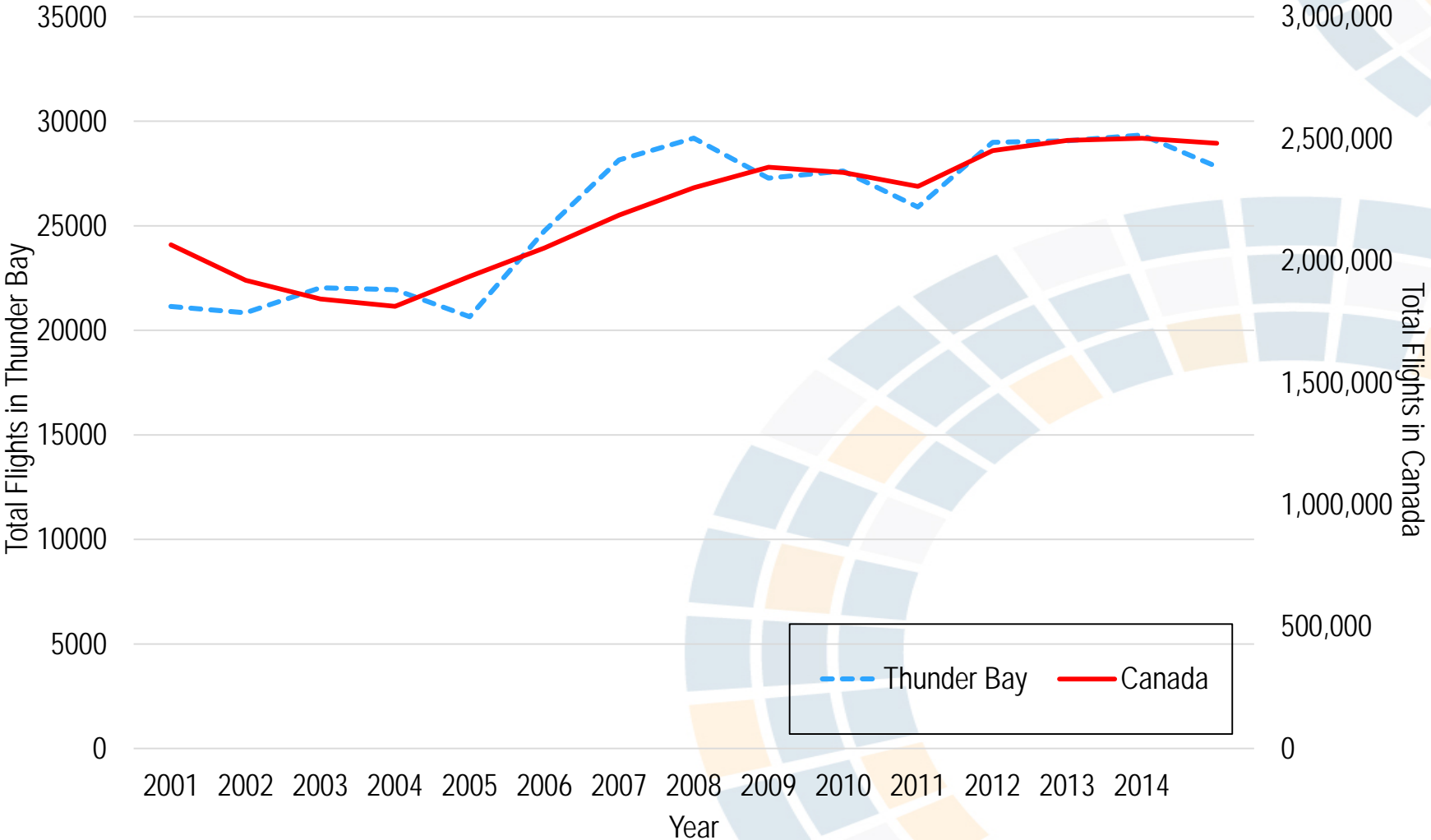


Total Flights at Thunder Bay Airport vs. Canada GDP



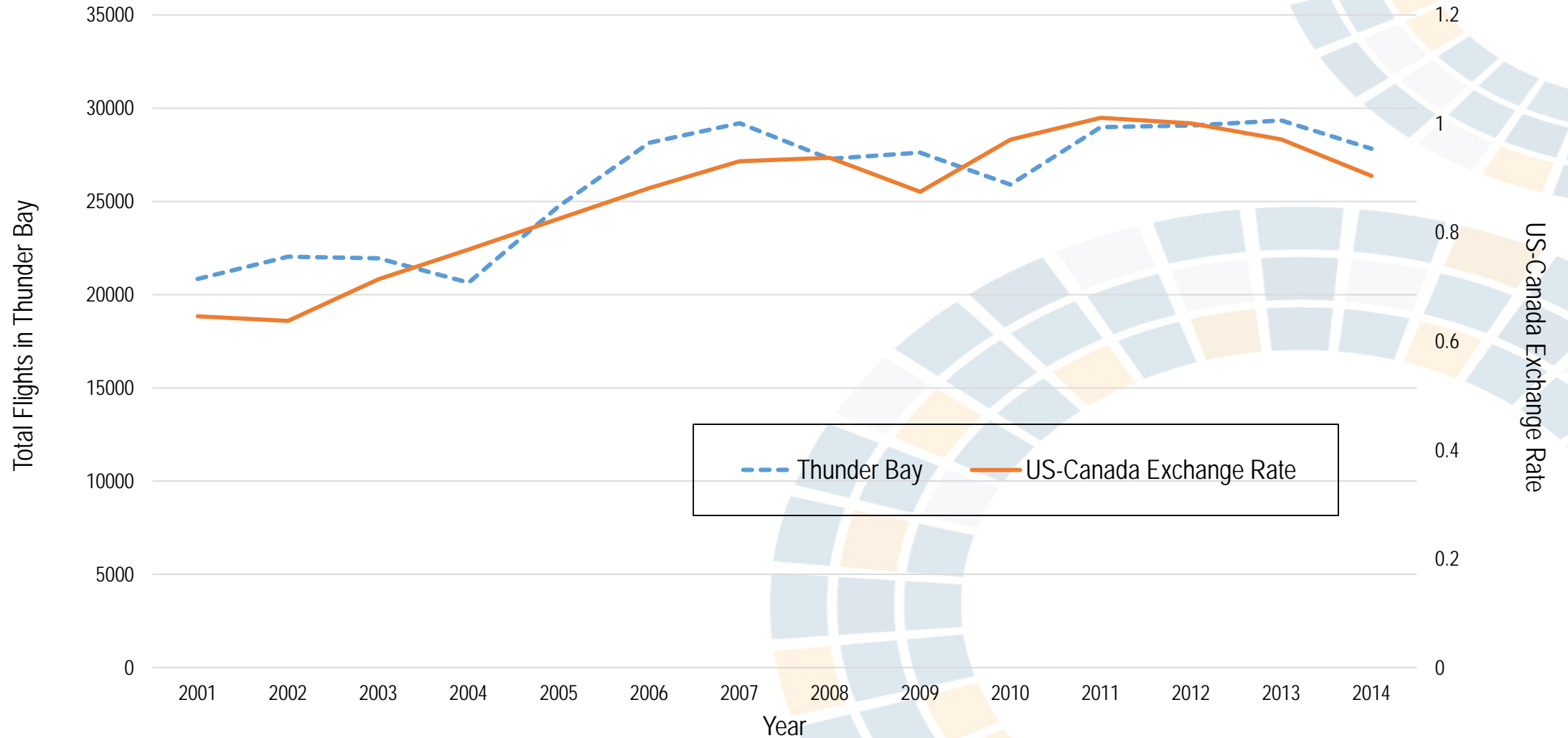
# As Canada goes, so goes Thunder Bay?

Comparing Total Flights at TB against Total Flights in Canada



# The dollar matches almost perfectly too

Comparing Total Flights at TB against the US-Canada Exchange Rate



# So – the message for TBIA?

You are a national airport - any investment you make **MUST** help the region/the province/the country.

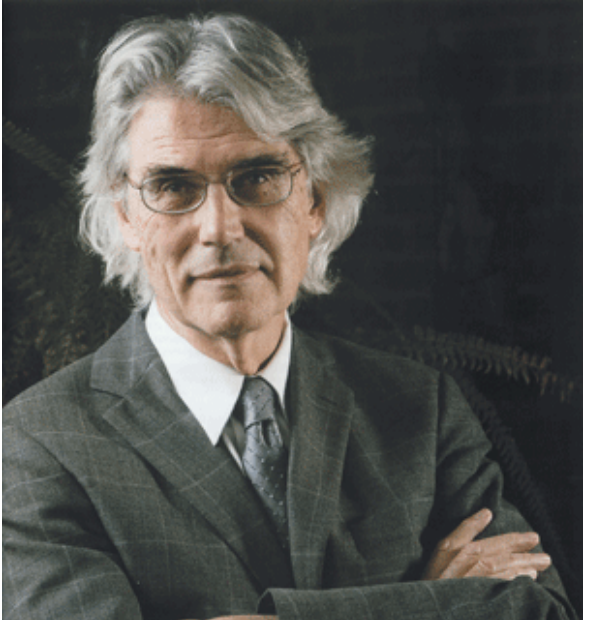
Opportunities?

- People – the knowledge economy
- Commodities – the ring of fire and the rest of the untapped north

Your returns come EARLY and often

- Education AND export
- Exploration AND sustainable production

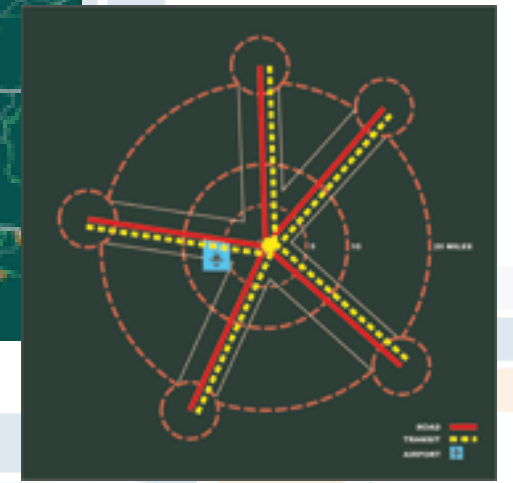
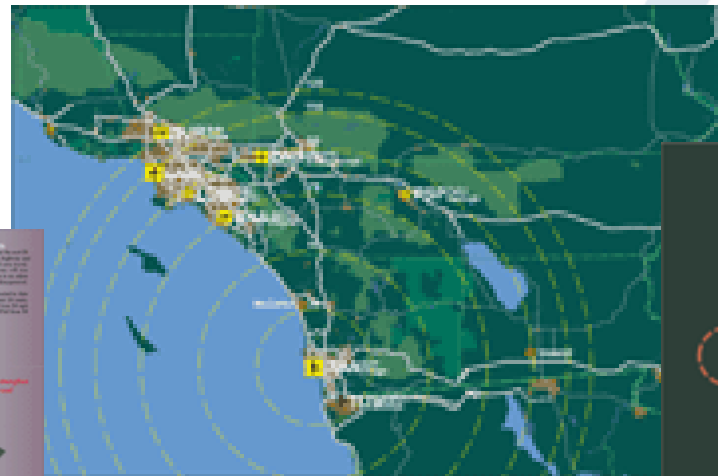
# A place to start?



Michael Gallis & Associates

Just a talk – or a vision session – or a full blown regional plan. BUT...

They ARE a consulting company – so that means:



## AEROTROPOLIS?

“One response has been the development of the Aerotropolis concept. It advocates developing interconnected business parks and efficient road grids adjacent to airports. Immediate and direct access to the airport facilitates air-oriented and related businesses, which attracts new businesses to the larger region.” (N.B. – See Duluth Aviation Campus)

## OR MULTI-MODAL HUB?

“In contrast, the Multi-Modal Hub concept promotes using the airport to link all modes of transportation - freight rail, interstates, transit and seaports - with air transport to form a multi-dimensional development complex focused on office, industrial and distribution activities.”

Source: MG&A website

Thank you. Merci. Miigwetch.

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