



CITY OF
Lethbridge



NEWS RELEASE

May 24, 2017

City and County to pursue new joint governance model for the Lethbridge Airport

The City of Lethbridge and Lethbridge County have agreed to pursue a new joint governance model for the County-owned Lethbridge Airport.

Lethbridge City Council voted yesterday to approve a resolution to move forward in principle with pursuing implementation of an airport commission governance model, as recommended in an independent consultant's report entitled the 2016 Airport Financial Assessment and Governance Update. Lethbridge County Council approved a similar resolution at their regular meeting on May 18.

"We embrace the opportunity to pursue a joint governance model with the City," said Lethbridge County Reeve Lorne Hickey. "We appreciate the feedback we received, and look forward to making further improvements to the airport to best serve its customers and to ensure it remains a strong economic asset to the area."

"The community and stakeholder input was very important to this process," said Lethbridge Mayor Chris Spearman. "The airport is a vital economic asset for Lethbridge, and we're glad to pursue this new joint governance model that would provide the City with an ongoing stake in the future operation of the airport."

In 2016, the Airport Committees of Lethbridge County and the City of Lethbridge commissioned MMM Group to update the 2011 Financial Assessment and Governance Strategy for the Lethbridge Airport. The update reflects current market conditions and is intended to assist with future airport governance-related strategic decisions as well as aid both Airport Committees in better understanding current and future airport activity.

Community engagement was undertaken in 2016 in the form of stakeholder interviews and two web-based surveys. The first survey targeted the general public while the second survey engaged members of the Lethbridge business community.

A high-level review of airport facilities was undertaken to update the conditions, deficiencies and future requirements for critical infrastructure. The capital needs summary identified total capital expenditure required over a 20-year planning period for the current level of operations as well as four augmented

growth scenarios. These projected long-term capital investments range from \$27.3 million to \$32.4 million. The report recommends preparation of an airport master plan to guide development and infrastructure for a 20-year planning period. The County recently was awarded a provincial grant to fund this Airport Master Plan project.

Four airports were selected for comparison (Nanaimo, BC; Kamloops, BC; Fredericton, NB; and London, ON) with the Lethbridge Airport based on a number of criteria, including community population, passenger traffic, governance model, airport facilities and financial performance. Three new lessons learned from the airports comparison include:

Attracting new passenger services will require long-term investment.

Lethbridge Airport's competitive position could be improved by investing in Airport terminal building expansion and upgrades.

Airports have significant economic value beyond facilitating passenger services.

A Market Study is recommended to investigate the demand for air travel in Lethbridge to be used in discussions with potential carriers regarding future flights from Lethbridge.

The updated report also explores a variety of governance models that are utilized by airports across Canada; some are more relevant to larger airports and some to smaller airports. While there have been many changes in Alberta and the aviation industry, an Airport Commission remains the most appropriate governance model for Lethbridge Airport.

Media Contact:

Mayor Chris Spearman

City of Lethbridge

403-320-3823

Reeve Lorne Hickey

Lethbridge County

403-328-5525