

Iqaluit International Airport Improvement Project



Project Overview

The Iqaluit International Airport Improvement Project (the Project) is the largest public building project ever constructed in Iqaluit and a major project for the Government of Nunavut (GN). Once completed in 2017, it will address many safety and efficiency issues at the current Airport while also offering Nunavummiut, businesses and visitors many improvements to their air travels to and from the region.

The Iqaluit International Airport, which is owned by the GN, is the major gateway to Nunavut and its capital city of Iqaluit. Nunavut is a unique geographical land mass without roads to connect its communities.

The territory is made up of a series of communities on islands and the mainland, with airports as the only transportation link. This makes its airport infrastructure critical to life in Nunavut.

The last major investment at the Iqaluit International Airport was 20 years ago. Traffic at the Iqaluit International Airport has grown steadily during that time. Because of this growth, the Airport requires significant investment to support both Nunavut's growing population and air transportation demand. The Iqaluit International Airport is very important to the economy of Iqaluit and the territory. In addition, several major mining projects are starting up and the current airport infrastructure will not be able to handle the increased demand in air traffic without expanding both the airport buildings and runway.

The Project includes the design, construction, financing, operations and maintenance of the Iqaluit International Airport including a new terminal building, improvements to runway electrical systems, supply of equipment, the design, and repaving of the existing runway and

expanding and repaving the area where the planes park .



In addition, the Private Partner, Arctic Infrastructure Partners (AIP), will operate and maintain the existing Airport during construction of the new airport and for 30 years after the construction is finished. The GN will continue to own the Airport during the entire period.



Arctic Infrastructure Partners (AIP) is expected to take over operations of the Airport on July 21, 2014 and to complete all construction by the end of 2017.

"The Iqaluit International Airport Improvement Project will improve a vital link between communities, benefit travelers to and from Nunavut for business, personal travel, and tourism. Nunavummiut will directly and indirectly enjoy social and economic benefits as the Project supports the community's efforts to build a sustainable and prosperous future for the region."



– Honourable Peter Taptuna, Premier of Nunavut

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Partnership Highlights

The Iqaluit International Airport Improvement Project is being done as a design, build, finance, operate, and maintain (DBFOM) partnership delivery model. The total project budget is \$298.5 million. The GN will contribute \$68.7 million during construction, Public Private Partnerships (PPP) Canada will contribute \$72.8 million and Arctic Infrastructure Partners will contribute the remaining \$72.8 million. The GN will pay AIP back during the 30 years of the contract.

Monthly payments to AIP will begin once they assume operations of the Airport in August 2014, and will be based on how much responsibility the company has as the Project moves from construction to completion of building to operation.

The Iqaluit International Airport is a complicated project to design and build with long-term risks. The contract is set up so that AIP has to meet building targets which means they are responsible for risks associated with cost, schedule, long-term operations, and maintenance.



Expected Benefits

The new Air Terminal Building is at the leading edge of international airport design, addressing the arctic environment while also reflecting the values and culture of the community. It was designed to reflect the Nunavut landscape and culture and foster a sense of place.

Delivering the Project using the partnership model provides significant value for money for taxpayers. The final cost to the end of the contract is estimated at \$418.9 million – this is almost \$100 million less than if the GN were to have done the project using a traditional approach.

The great savings in this project are primarily due to the innovative proposal from Arctic Infrastructure Partners. The Private Partner submitted a proposal that was much better than the other proposals received, offering important improvements on the original concept design and significant cost savings. Project requirements and AIP design features are expected to result in the following benefits:

- Improved airport conveniences including airport and parking on one level, washrooms and refreshments on other side of security, and multiple baggage carousels
- Enhanced safety
- More efficient and reliable operations
- Education and training opportunities for Inuit Beneficiaries
- Ability to expand the airport in the future without significant work
- Reduced overall cost



Public Sector Partners

- Government of Nunavut
 - Economic Development and Transportation
 - Community and Government Services
 - Department of Finance
- Public Private Partnerships Canada

Private Sector Partner

- Arctic Infrastructure Partners
- InfraRed Infrastructure Capital Partners
 - Bouygues Building Canada Inc.
 - Colas Canada Inc.,
 - Winnipeg Airports Authority
 - Stantec Architecture