



# Strategic Outline Case

Owen Roberts International Airport, Charles Kirkconnell  
International Airport and Little Cayman Airport

## **Airports Development Project**

This document provides information to relevant stakeholders to inform  
deliberations concerning a potential project for  
Airports Development

Airports Development Project Steering Committee & CIAA Board of Directors  
**November 2021**

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## Definitions

ASSI	-	Air Safety Support International
ALP	-	Airport Layout Plan
BA	-	Business Aviation
CEO	-	Chief Executive officer
CAACI	-	Civil Aviation Authority Cayman Islands
CBC	-	Custom and Border Control
CFC	-	Cayman Flying Club
CIAA	-	Cayman Islands Airports Authority
CIDOT	-	Cayman Islands Department of Tourism
CIG	-	Cayman Islands Government
CITA	-	Cayman Islands Tourism Association
COVID	-	Corona Virus Disease
CKIA	-	Charles Kirkconnell International Airport
DOE	-	Department of Environment
DOEH	-	Department of Environmental Health
FFR	-	The Framework for Fiscal Responsibility
GA	-	General Aviation
GDP	-	Gross Domestic Product
GHSP	-	Ground Handling Service Provider
HNW	-	High Net Worth
HSA	-	Health Services Authority
ICAO	-	International Civil Aviation Organization
LCA	-	Little Cayman Airport
MET	-	Meteorological Office
MRCU	-	Mosquito Research Control Unit
NCC	-	National Conservation Council
NRA	-	National Roads Authority
OBC	-	Outline Business Case
ORIA	-	Owen Roberts International Airport
PFC	-	Passenger Facility Charge
PMFL	-	Public Management and Finance Law
PPP	-	Public Private Partnership
PWD	-	Public Works Department
SITA	-	Sister Islands Tourism Association
SOC	-	Strategic Outline Case
SPM	-	Senior Project Manager
TT	-	Travel and Tourism

# **CAYMAN ISLANDS AIRPORTS AUTHORITY**

## **STRATEGIC OUTLINE CASE**

**Project Title: Airports Development Project**

**Sponsoring Ministry: Ministry of Tourism and Transport**

**Senior Responsible Officer: Chief Officer, Mr Stran Bodden**

**Signed:**

**Date: November 2021**

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### **Introduction:**

We are seeking approval from Cabinet to validate this Strategic Outline Case (SOC) for the Airports Development Project and to proceed to develop an Outline Business Case which will outline what is the necessary infrastructure required at Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport through the process of developing a new Airports Master Plan which would include an analysis of a new General Aviation (GA) Facility at Owen Roberts International Airport.

The Cayman Islands are served by three airports; Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport. All three airports cater for commercial and general aviation traffic and at the end of 2019; leading up to the COVID pandemic era, the commercial, business and tourist sectors had increased, specifically putting stress on the airports systems and their infrastructure. The exact scope of development for Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport will be determined as part of a substantive Outline Business Case (OBC) process and is beyond the scope of this document, however, the prioritization and phasing of any proposed works will be of key importance. The plans for Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport should include energy efficient design and make use of all available natural energy sources to reduce overall operational costs over the long term. Included in the airports infrastructure development, a crucial element of the Cayman Islands Government's (CIG) Strategic Policy Statement is to enhance or rebuild the current GA Facility at Owen Roberts International Airport. The CIG has outlined in their policy that there needs to be a main focus on attracting the "High Net Worth" (HNW) individual to the islands and that the current GA Facility is old and outdated and is not a good representation of the island from a luxury brand perspective.

The mechanism to identify solutions to the stressors, sustainability options, and necessary infrastructure expansion, including a new General Aviation Facility at Owen Roberts International Airport, is by developing a new updated Airports Master Plan.

The current Airports Master Plan was issued and approved by Cabinet in 2014. This document has been the guide for the most recent infrastructure developments that have been completed over the last 7 years. For example, the 2014 plan recommended that a new commercial terminal was required with larger capacity and this was completed in 2019. The plan highlighted the urgency to strengthen the runway and this was completed in 2020. Other infrastructure improvements outlined in the 2014 plan have been completed, however, this plan is now considered dated and in need of replacing. It is common practice and is recommended that all airport master plans should be updated or renewed every 5 to 7 years (it may be argued that the Owen Roberts International

Airport has seen such aggressive passenger growth year over year that a new updated plan may be needed every three years). We are now reaching the end of 2021 and we are at the upper limit of this range, therefore a new Airports Master Plan is required to ensure that an airport roadmap is in place that aligns with the CIG Strategic Policy Statement and Cayman Islands Airports Authority's (CIAA) goals that will be identified in the OBC.

The CIAA will follow the proper open, transparent and competitive procurement processes ensuring value for money in the search for consultancy services to produce an Outline Business Case.

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## **Section 1: Project Overview:**

The intent of sourcing a consultant is to secure, in a substantial, complete and professional manner, all necessary professional services to write an OBC for the Airports Development Project in an effort to have the CIAA continue to be a centre for aviation excellence. The OBC will outline the following:

- a) The need to develop an Airports Master Plan to provide a strategic framework based on sound research to guide the Cayman community in future business decisions with respect to Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport.
- b) Advise the best solution for a new GA Facility by identifying the ideal location and procurement method that will best optimize GA airport revenues, enhance the high net worth passenger experience and provide adequate parking and storage facilities for GA aircraft.

It is clear that the Airports Development Project requires an Airports Master Plan to identify objectives, including a new GA Facility at ORIA, with actions that are tangible and achievable and within the financial capabilities of the CIAA to implement in any given time. The plan will be developed with strong direction and commitment from the CEO of the CIAA, the CIAA Board of Directors, the Airport Steering Committee, the aviation community at large and input from external commercial organizations. It is envisioned that the Airports Master Plan will provide the CIAA the context in which to make decisions, address new initiatives, and explore opportunities that will facilitate the long range development of the Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport. In addition to this, the Plan will forecast out at least 20 years and provide an analysis of air service traffic growth, the nature and mix of this traffic, airport facility requirements, necessary infrastructure, location of airport services, land appropriation requirements, an updated land use plan, neighbouring land uses, aids to navigation, ground transportation access, environmental issues, and noise and its effect on the community. Importantly, the Airports Master Plan will provide a detailed financial management plan for all future capital improvements and program initiatives. Public consultation and outreach will be required, using the best approaches to gather public input and support.

## Section 2: Strategic Aims, Needs, Objectives and Constraints

### Project Aim:

The success of the Travel & Tourism (TT) industry prior to the COVID pandemic and the expected return of tourism post COVID is important for Cayman, as measured by several metrics including long-term growth, total contribution to GDP, capital investment and contribution to employment.

TT contributed \$1,100M, or 25.5%, of Cayman's GDP in 2019. This figure represents a 3.5% increase over the 2018 TT contribution to GDP. A large majority of travel to the Caribbean Islands, and particularly to Cayman, is for leisure. Of the \$650M in international visitor spend in Cayman, 87% goes toward leisure spending, while the remainder is business spending.

Though the 2017 hurricanes have caused some temporary inflation and relative growth in Cayman, the following statistics focus largely on the magnitude and growth of travel & tourism within Cayman:

- Forecasted long-term growth of TT for the Cayman Islands, measured through the industry's direct contribution to GDP, is 4.5% p.a. from 2018 through 2028. Cayman's forecast TT growth is the third highest among competing Caribbean destinations, behind only Antigua & Barbuda and St. Kitts & Nevis. The Caribbean average forecast TT growth rate is 3.6% p.a., almost a full percentage point lower than that of Cayman.
- Of all capital investment in Cayman, 23.9% went toward TT in 2017. This investment is nearly double the Caribbean average of 13% and the second highest among competing Caribbean destinations, behind Antigua & Barbuda's 41% investment in TT.
- TT's total contribution to employment has risen by ten percentage points, up to 31%, during the ten-year period between 2007 and 2017. This percentage contribution is around the average of Caribbean Islands, but is the third largest growth after Aruba (up 22 percentage points, to 87%) and the formerly Netherlands Antilles (up 14 points, to 42%).

However, the COVID pandemic has been instrumental in changes on how tourism is managed on other islands as they realign their commitment to tourism. Regional competitor countries such as Jamaica, Bahamas, Barbados, BVI, Aruba and Turks & Caicos Islands, having recognized the need for airport growth, have made or are in the process of making the relevant investments and incentives to position themselves for future expansion of their tourist industry. Unfortunately the Cayman Islands are not maintaining its competitive edge in this regard. Although there have been major renovations to the commercial terminal completed in 2019, there are still capacity constraints. Passenger numbers in 2019 reached record numbers and leading up to the COVID pandemic, March 2020, the expectation was that 2020 would surpass 2019. The 2014 Master Plan identified that the numbers that were realized in 2019 would trigger additional development of a new terminal renovation/expansion at CKIA or ORIA or the process of developing a new terminal at ORIA to support the rising passenger numbers. The strategic aim of the Airports Development Project is to have an OBC that recognizes these projections with updated information. The process to obtain this information is through an Airports Master Plan.

The increased development of the airports is an important growth strategy for the Cayman Islands tourism market and business sector. Additionally, rising medical costs in the USA are driving medical tourism and this sector is expected to rise with two additional hospitals coming on line in Grand Cayman over the next three years which will inevitably add to increasing passenger

numbers. As such, a new master plan will be supported by key industry stakeholder groups such as Airlines, Cayman Islands Civil Aviation Authority (CICAA), Cayman Islands Department of Tourism (CIDOT), airport ground handler service providers, Customs and Border Control, key business leaders and business partners and others.

Our strategic aim is to continue to stay ahead and grow with these changes by developing the airports at a sustainable rate and keep up with and outdistancing our competitors. It is critical for the CIAA to have the tools necessary to make valid informed decisions and a new updated Airports Master Plan is required that will identify the step by step infrastructure development needed, including a new GA Facility at ORIA, to remain a strong challenger in the business and tourism industry.

### **Project Need:**

The Airports Development Project will need to provide solutions, through a master planning process, to address the development requirements of the airport/s to accommodate current and future necessities. Previous master plans for long term development of Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport were produced in 2002, 2004, 2007 and the current plan was published in 2014. These provided options for services and infrastructure development to address terminal building congestion, capacity demand, and the wider airport facilities including apron/runway extension and regulatory requirements. These plans are very dated and there is a need to develop a new Airport Master Plan. During the preparation of a new plan, the planning consultant will review the existing master plans and will prepare a new master plan that will provide the bases and direction for any future development for all three airport facilities.

The 2014 Airports Master Plan also outlined the need for a new GA Facility at ORIA. In 2021 this need has not changed and has become even more important that the current facility is replaced with a modern terminal and a ramp capacity that meets requirements and satisfies the CIG Strategic Policy. The new Airport Master Plan will confirm the need and update what is required through a systematic process which will result in a direction on how the CIAA is to procure a new GA Facility.

### **Project Objectives:**

- 1) The first strategic objective is to determine the optimal development of a new GA Facility at ORIA. The Airports Development Project will through a master planning process, outline the correct location and procurement method that will best optimize GA airport revenues, how to enhance the high net worth passenger experience and best options to provide adequate parking and storage facilities for GA aircraft.
- 2) The second objective is to have a current up to date Airports Master Plan recognizing all the relevant changes that have occurred since the 2014 plan was published
- 3) There is an objective to involve all airport stakeholders. Stakeholder engagement is a key element to develop a robust Airports Master Plan for Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport and the potential need for a new GA Facility at ORIA. All stakeholders that have a vested interest in the airport/s will be interviewed and the master planning process will include a public consultation program. Allowing the public to voice their concerns on all three islands is essential to establishing good communications on airport development intent, the supporting reasons why and gaining a full understanding of their concerns.
- 4) There will be an environmental objective. A full consideration of environmental factors during the planning stages will typically result in an overview of the airports environmental

setting, the identification of potential impacts of airport development alternatives and the identification of the permitting required for recommended projects.

- 5) A crucial objective is to establish a new set of aviation forecasts which will be the bases for effective decisions with regard to airport planning which would include, for example recommendations on expanding the current terminals at ORIA and CKIA or alternatively construction of a new terminal and the timing when needed. Additionally, the forecasts would determine the need and sizing of a new GA Facility at ORIA. The COVID pandemic has severely disrupted the aviation industry globally and foresight of how this disruption will affect future travel is essential for planning purposes. These forecasts are essential for determining any future development at Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport
- 6) A complete analysis and determination on future needs for facility requirements at Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport. The analysis will clearly define the aviation problems and why the airport needs to resolve them.
- 7) The seventh objective is to develop an organized approach to identifying and evaluating alternative development options for effective planning.
- 8) A complete review of the current airports layout plans (ALP) and how the ALPs could be integrated into the review of the aviation activity forecasts, facility requirements and an important options analysis.
- 9) Compiling a facilities implementation plan will provide guidance on how to implement the findings and recommendations of the planning effort. The plan will balance funding constraints, project sequencing limitations, environmental processing requirements and property acquisition. The facilities implementation plan will also dovetail into the ALPs and the CIAA's financial plan.
- 10) The final very important objective is to perform a financial feasibility analysis to determine the CIAA's ability to fund the projects in the new Airports Master Plan and any new GA Facility. The plan will emphasize the projects that are expected to be implemented over the near term (0-10 years) as presented in the Capital Improvement Plan and how they will be funded.

### **Project Constraints:**

**Financing:** The CIAA is currently constrained by numerous economic factors primarily due to COVID pandemic effects on the travel industry. Due to restrictions under the Public Management and Finance Law 2018 (PMFL), the CIAA is unable to finance airport projects through conventional borrowing methods therefore, funding for this Airports Development Project needs to be achieved with internal funds. The CIAA is dependent on revenue streams stemming from the airline industry as a means of funding its on-going operations. These revenue sources, Passenger Facility Charges (PFCs), rentals, car parking, fuel % and aeronautical fees, have been blunted due to the COVID pandemic but they are expected to bounce back post government pandemic restrictions.

**GA Facility Ownership & Operations:** Due to the importance of ORIA as a strategic national asset, the CIAA will retain the legal ownership and operations of any new facilities. Any financial model chosen for procurement of a new GA Facility will include consideration of that requirement against the need to provide assurance and security to a private sector investment partner.

**The Framework for Fiscal Responsibility and PFML:** The Framework for Fiscal Responsibility (FFR) Guidelines came in to effect in 2012 and was revised in 2018. Government is required to follow these guidelines to ensure a fair and transparent procurement procedure.

**Project Phasing:** The PMFL (2018 revision) sets out the five key stages that will be undertaken by the CIAA in the planning, development, and execution of the Airports Development Project. Those include (1) Strategic Outline Case (SOC) and OBC; (2) procurement (3) contract management; (4) delivery; and (5) evaluation.

**Outdated Airport Master Plan:** Master Plans for long term development of ORIA were produced in 2002, 2004, 2007 and the current plan in 2014. The current plan is now considered obsolete and in need of a replacement.

**No “In house” expertise to develop an OBC:** The Airports Authority does not have staffs that are qualified to assemble an Outline Business Case or an Airports Master Plan. To formulate an OBC/Master Plan will require financial expertise, aviation forecasting, large scale infrastructure cost estimating and environmental knowledge.

**Transportation network:** The consolidation and update of the Airports Master Plan should also address the development of the ground transportation infrastructure in the vicinity of the ORIA airport. Recent NRA studies (2016) have shown an increasing traffic demand but there has been limited planning to increase road infrastructure leading to and from the airport.

**Available land:** The consolidation and update of the Airports Master Plan should also address the appropriation of land in the surrounding area of the current airport site for future development.

**Natural Environment:** The conservation of the natural environment is of significance to the Cayman Islands, including during and after any construction activities. The Department of the Environment (DOE) and the National Conservation Council (NCC) require being closely involved. Any Airports development proposals shall require oversight by these two bodies. The role of the Department of Environment (DOE), the National Conservation Council (NCC) and the local community as key stakeholders in this aspect is recognized and appropriate consultation and input will be undertaken throughout key phases of the project.

**Regulations:** Any Airport development proposals shall require oversight by the Cayman Islands Civil Aviation Authority and meet the standard requirements of ICAO Annex 14, as well as other security specifications that must be agreed with the Air Safety Support International (ASSI) before being implemented.

## Section 3: Stakeholder Analysis

### Key Airports Development Stakeholders and their Involvement in the Airports Master Planning Process:

The following list of key stakeholders is who will be engaged during the development of the OBC and subsequent Airports Master Plan. Material representations and concerns expressed by internal and external groups or individuals will be a key component of the decision making process as the Airports Master Plan develops.

**Cabinet:** Cabinet has a key role in the project process and will provide the Cabinet strategic policy guidance. The guidance will give the guiding parameters of the project and Cabinet will need to commit the funding of the Airports Development Project and subsequent GA Facility Project. Cabinet will have a high level of interest and will be involved in the procurement process in accordance with the provisions of the Framework for Fiscal Responsibility (FFR)

**Cayman Islands Airports Authority (CIAA):** All departments of the CIAA departmental framework will be enlisted to contribute initially to the Airports Master Plan and at various stages as the plan develops. Inceptive meetings will be conducted with each department individually to gather information on the current status of Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport with a determination to identify what issues are in need of addressing. The involvement of all departments is important to developing a sound foundation of data for the master planner to utilize in assembling the new Airports Master Plan.

**All Airlines:** The CIAA needs to provide airport facilities that have the capacity to efficiently and comfortably accommodate the current passenger throughput and sustain efficient aircraft movements while allowing for future growth. Airlines share a mutual interest with the CIAA in ensuring a high standard of visitor experience. Airline feedback during the master planning process is essential.

**Department of Environment (DOE):** The DOE seeks to facilitate responsible management and sustainable use of the natural environment and the natural resources of the Cayman Islands, through environmental protection and conservation. The DOE have a major stake in the future development of the airport and how any infrastructure expansion affects the environment and agreeing with any mitigation measures employed.

**National Roads Authority (NRA):** If the Airports Master Plan identifies an expanded or new terminal for future growth, it is due in part to passenger numbers increasing. The airport ground transportation infrastructure for moving passengers in and out of the ORIA airport complex is significantly limited. The current traffic system will need to be studied and appropriate measures put in place to handle the increasing volume of traffic. The NRA will be a key stakeholder in the master planning process identifying mitigation measures and the new Airports Master Plan will assist NRA in developing their own planning needs.

**Car Rental/Ground Transport Industry:** The car rental and ground transportation industry plays a vital role in facilitating the movement of airline visitors to various points on Grand Cayman. A vibrant airline market provides income, business opportunities and jobs for stakeholders in this

industry. Any new or expanded terminal would have major impacts on how the car rental and ground transportation community conduct their business.

**General Public/Residents:** During the master planning process, there will be public outreach sessions on all three islands to get a full understanding of the public's opinion and capturing their suggestions to potentially adapt to the Airports Master Plan. Airport development will have a direct impact to the airport neighbours and community such as noise and air pollution, changes to surrounding infrastructure, etc. so it is essential that the public are involved in the process.

**CI Department of Tourism (CIDOT):** As tourism contributes significantly to the economy of the islands, CIDOT would like to see enhanced airport facilities in place to accommodate existing and future stay-over tourist arrivals. CIDOT play an important role in the master planning process by outlining the current tourism prospects and a forecast for future tourism development.

**Cayman Islands Tourism Association (CITA):** As a key industry representative group, CITA has a major stake in how visitors interpret their airport experience and whether they would become return visitors. CITA's input to the Airports Master Plan is critical to get a full understanding of the feedback from tourists and business travellers

**Cayman Finance Ltd:** This Airports Master Plan will take into consideration any needs that will support the financial services community. Cayman Finance Ltd, who represents the financial services sector of the Cayman Islands, is an important stakeholder and will be consulted to determine as to the needs and the requirements of the finance business traveller.

**Customs and Border Control (CBC):** The CBC is a key stakeholder whose operations are being affected as a result of increased passenger movements. CBC facilitates the flow of individuals in and out of the Island and would want to ensure that any future terminal expansion or new terminal will meet their requirements in terms of their operations. CBC's input to the Airports Master Plan is very important to have a full understanding of their issues and gaining a perspective of their own internal planning.

**Ground Handling Service Providers (GHSPs):** GHSPs provide turnaround coordination and baggage servicing to aircraft. Increased aircraft arrivals and departures will positively impact these businesses. Their input to the Airports Master Plan is necessary to gain a full understanding of their needs and requirements.

**Fuel Providers:** The aviation fuel providers are essential to the smooth operations of the airlines and airport operations. Both fuel providers, SOL and RUBiS, will be approached for their perspective on the current status of the airport operations and to identify any upcoming issues that they may foresee, especially as their new joint venture aviation fuel farm is coming on line in July 2022.

**Health City/ Health Services Authority (HSA)/Doctor's Hospital/Astor Medcity Group:** All four medical care providers will be contacted to gather their perspective on how medical tourism will grow and how the current airport operation affects medical tourists and what can be improved.

**CI Civil Aviation Authority (CICAA):** As the regulator of the airports on grand Cayman and the Brac, CAACI consultation and Airports Master Plan oversight will be required for all aspects which relate directly to air safety and compliance with regulations.

**CI Fire Service:** The fire department is required to provide rescue and fire-fighting response to aircraft involved in emergencies in order to comply with international regulations. The Fire Service performs an important part to the safety of the airport and their input to the master plan is essential.

**General Aviation/Business Aviation (GA/BA) Service Providers:** All GA/BA providers will be included in the Airports Development Project and subsequent master planning process to allow for insight into their activities and how these can be efficiently incorporated into a new GA Facility.

**Mosquito Research Control Unit (MRCU):** MRCU currently operates out of a purpose built aircraft hangar and research facility on the airport site. Frequent users of the airfield, the MRCU have a large interest in any airfield development and MRCU insight will be invaluable.

**Air Ambulance Providers (Medevac):** There are currently two dedicated medevac handlers that provide the ground and passenger handling services for all air ambulance operations. Both companies will be involved in the master planning process such that any awareness of issues that need addressing can be adapted in any new Airports development.

**CI Water Authority:** The Water Authority, not unlike the DOE, has a vested interest in any airport development on all three islands. Protection of the ground water is essential and a full understanding of the Water Authority's perspective on airport development is crucial prior to any implementation.

**Department of Environmental Health:** The DoEH plays a big part on how waste is managed at the airport and how waste is separated and disposed of. Their input on the current status of the waste management programme at the airport and any issues that need addressing is very important to include in the Airports Master Plan.

**National Trust/ Sister Island Committees/Central Caribbean Marine Institute:** all three of these groups play a major part in the protection of wildlife habitat in the Cayman Islands and have a vested interest in any major airport development on all three islands. It is essential that their voice is heard to allow for important decision making that potentially could irreversibly affect wildlife habitat.

**The Police Department:** Both Police ground and air operations will be involved in the master planning process. Information on how they conduct their services at the airport and what issues are concerns are key elements to be identified in the Airports Master Plan.

**Meteorological Office (MET):** The MET office, currently established in the existing GA terminal will be part of the master planning process. A full understanding of their internal planning and what issues they have as concerns are important to identify and include in the Airports Master Plan.

**Cayman Islands Chamber of Commerce:** The Chamber of Commerce represent a variety of members that conduct business on island and overseas. Their input with respect to their member's concerns on airport operations and what are the key issues to be addressed are valued and will be included in the master planning process.

**Cayman Flying Club (CFC):** The CFC is a newly founded club and currently does not have a presence on the airfield. However, as the club is in its infancy, it is important to understand what

their internal plans are, what services they are intending to offer and how their club will operate on the airfield.

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## **Section 4: Management, Implementation & Timeline**

### **Proposed management structure and key personnel:**

**Reporting Structure:** The CIAA board has appointed a Steering Group to guide the Airports Development Project through-out its development. A Senior Project Manager, employed by the PWD, will provide the management and represent CIAA interests during the development of the Airports Development Project. This Senior Project Manager, seconded to the CIAA for the duration of the project, will manage the CIAA interests and will report directly to the CIAA CEO and to the PWD Deputy Director.

**General:** The development of the OBC for the Airports Developments Project will be conducted by an external consultant. This consultant will be managed by the Senior Project Manager who will additionally act as the conduit between the consultant and all stakeholders that have an interest and/or will assist in the development of the Airports Developments Project. The Senior Project Manager will also drive the consultant efforts in drafting the course of action for the GA Facility Project.

The proposed Key Personnel anticipated for each stage of the Airports Developments Project's OBC development are as follows:

#### 1) Pre Procurement Stage:

- Preparation of Strategic Outline Case (SOC)
- Key Personnel: PWD Deputy Director, PWD Senior Project Manager, and the Steering Committee.

#### 2) Tendering Process:

- Preparation of Prequalification, Tendering and Contract Documents.
- Key Personnel, PWD Deputy Director and PWD Senior Project Manager

#### 3) Contract & Performance Management- Airports Developments Project OBC

- Key Personnel: Steering Committee, PWD Deputy Director and PWD Senior Project Manager

**Legal, contractual or procurement issues:** Adherence to the Cayman Islands legal framework is required at every stage of this project. The PMFL clearly sets out the key stages for the project and the various procurement requirements to ensure value for money.

**Outstanding Management/Implementation consideration:**

The appointment of a Senior Project Manager is essential to the expediency and accuracy of this project. This will afford a dedicated resource to the advancement of this project and bring the Airports Developments Project to completion. The level of funding for the PWD project management support should be identified as an integral part of the project costs.

**Timeline:**

Airports Master Plan Projected Timeline	Status	Entity	Date
Strategic Outline Case (SOC)	Approval	Steering Committee	18.11.2021
	Approval	CIAA Board	25.11.2021
	Approval	Cabinet	End of 4th Qtr 2021
RFP for OBC Consultancy Services	Process	PWD/CIAA	Dec 2021-Feb 2022
	Approval	Steering Committee	Feb-22
	Approval	CIAA Board	Feb-22
	Approval	Cabinet	Mar-22
	Award	CIAA	Mar-22
OBC and Master Planning Development	Process	Consultant	Mar 2022 - Aug 2022
Completion of OBC and Airports Master Plan	Approval	Steering Committee	Aug-22
	Approval	CIAA Board	Aug-22
	Approval	Cabinet	Sep-22

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**Section 5: Consideration of Options**

The following are considered options with respect to an Airports Development Project:

- 1) **No Change:** – continue utilizing the outdated 2014 Airports Master Plan as is:
  - CIAA to continue with reference only to a document, published in 2014, which is considered outdated and will be used for decision making on infrastructure development.
  
- 2) **Develop an Outline Business Case for the Airports Development Project and successive new Airports Master Plan:**

A new Airports Master Plan will consider all three airports, Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport, and will outline the following:

- It will deliver a long term strategy that supports the vision of the airports future.

- Will provide an airports development plan that fits the budget
- Addresses stakeholders issues and delivers infrastructure that is fit for purpose
- Delivers infrastructure that comes on line as and when needed
- Outlines development phases and the associated growth triggers
- Minimizes the risk of compromising the three airports' ultimate development potential and ultimate future
- Will determine the options for a new GA Facility, including but not limited to:
  - a. Do Nothing
  - b. Improve Status Quo: Continue operation of existing GA Facility with essential upgrades; no implementation of current 2014 Master Plan
  - c. Development of a new GA Facility in location as outlined in Master Plan (2014)
  - d. Implement a phased approach of enhancement and expansion of the existing GA Facility; based on an updated master plan which is to be developed during the OBC process
  - e. Development of a new GA Facility based on updated master plan to be developed during the OBC process.
  - f. Other.

## Section 6: Costs, Benefits & Risks

### Broad Project Costs

- For the Airports Development Project OBC stage, the major cost will be for the procurement of a consultant to administer the OBC. For subsequent stages (outlined below) the cost of consultants and project management will be a constant, but the method of handling the procurement and construction costs of the GA Facility will be varied (see note below).
- The estimated cost for services rendered by a consultancy to:
  - construct an Outline Business Case for the Airports Development Project to include:
    - a. Direction on how to develop a new GA Facility
    - b. Develop a 20 year Airports Master Plan

is approximately (Redacted) (see appendix 2 for breakdown of estimated line item costs).

*Note: For the GA Terminal Project the OBC, outlined as a deliverable above, will establish the preferred location and the optimal procurement method. Additionally the OBC will determine the costs involved to develop the project which will be dependent on the delivery option and the location chosen.*

## Non-monetary Costs

- It is clear in 2019 that the commercial terminal departures hall, screening and check-in and immigration hall have capacity issues during peak times. Increasing passenger dissatisfaction and increasing incentives developed by competitive islands will elevate the numbers of the non-returning visitors to the Cayman Islands
- The GA apron aircraft parking has reached capacity during peak times and this has been a major distraction to the private plane owner with respect to visiting the Cayman Islands. This has led to individuals that own private aircraft to use alternative destinations.
- Depending on the preferred location of the GA terminal this may lead to Environmental impacts that will need to be managed. These impacts will be outlined in the OBC.

## Benefits:

The Airports Development Project and subsequent Airports Master Plan is a long term guide to development that supports the business development strategy for all airports, Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport, with an underpinning of an assessment for financing and an indication of required investment levels over the next 20 years. Considering the economic importance of Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport and their contribution to the Cayman Islands economy, the CIAA must have on hand a “road map” that reflects the future infrastructure requirements, latest market conditions, available technological improvements and emerging trends. The types of benefits that will have a positive impact when a new plan is in place will be:

- The CIAA will possess a vision of how the ultimate development potential of the airport could be realized
- It will have a physical representation of the Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport long-term capital investment/business plan
- It will provide to the CIAA an indication of how capacity enhancement may proceed over the short (0-10 years), medium (10-20years) and long (20+ years) terms.
- The Airports Master Plan will link the air traffic type and demand and how this affects planning
- Will outline the economic and environmental factors.
- The plan will indicate any investment requirements and related trigger points
- The CIAA will have all financial implications and strategies to reach their goals.
- The master planning process will provide a context for constructive consultation to take place between all stakeholders with the objective of reaching a consensus on all major decisions and required changes.
- CIAA will have an understanding of where the new GA Facility will be located, how large a terminal and apron, hangar space requirements, time lines for development and how the project will be procured

## **Risks:**

The following are the expected broad risks if we do not proceed with the Airports Development Project and have an updated Airports Master Plan available as a reference:

- There is a real risk that short term decision making will result in capital intensive capacity enhancement projects that are poorly located, inappropriately sized and out of the phased sequence.
- Without an Airports Master Plan that has definition to the current status of all three airports, Owen Roberts International Airport, Charles Kirkconnell International Airport and Little Cayman Airport, there is a real risk of wasted capital on projects that potentially restrict the airport's overall capacity and performance, thereby impeding the airport's ability to fully utilize the runway system's ultimate capacity.
- The Airports Master Plan is an essential reference document so that all airside, landside and airport support elements can develop, expand and improve in the operational flexibility and efficiency of their business in a structured, balanced and orderly fashion.
- There is a real risk of falling behind and not staying ahead of capital investment and infrastructure needs.
- The risk that the airports will not be adapting to the rapid rise of environmentally friendly and sustainable technologies.
- A continued distraction to the High Net Worth private aircraft owner due to little to no direction on the optimal solution for a new GA Facility with aircraft storage hangars and expanded parking apron.
- Increasing negative passenger experience runs the risk of higher numbers of non-returning visitors. Both Commercial and GA.
- Not having the tools and insight to compete with aggressive tourism infrastructure developments on competitive Caribbean islands.

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## **Section 7: Funding & Affordability**

Due to the CIAA's inability to undertake conventional borrowing, the GA Terminal Project will have to explore several financing options ranging from self-finance, through Airports Authority revenue streams to private public partnership (PPP) and supported, as necessary, by Government loans in 2022/23. This will be defined in the OBC process.

Independent professional advice will be required to prepare and develop the Outline Business Case, and the consultant services, both financial and technical, will be competitively tendered. CIG/CIAA will seek to utilize in-house expertise, for example for project management resources, to minimize consultant costs.

The current and prospective fund reserve and revenue streams of the CIAA will have to be reviewed to ensure adequate funding for the increased operational costs resulting from airport development.

**End**

**CAYMAN ISLANDS AIRPORTS AUTHORITY  
STRATEGIC OUTLINE CASE**

**APPENDICES**

**Appendix 1** ..... Steering Committee Terms of Reference

**Appendix 2** ..... Reference Materials



# **CAYMAN ISLANDS AIRPORTS AUTHORITY STRATEGIC OUTLINE CASE**

## **Appendix 1**

### **Proposed Airports Developments Project Steering Committee Terms of Reference**

#### **Contents:**

- Function of the Steering Committee
- Role of the Steering Committee
- Role of individual Steering Committee members
- General
- Membership
- Chair
- Agenda Items
- Minutes and Meeting Papers
- Frequency of Meetings
- Proxies to Meetings
- Quorum Requirements

## **Function of the Steering Committee:**

The function of the proposed Airports Developments Project Steering Committee is to take responsibility for the financial and advisory issues associated with the completion of the project. The Steering Committee is responsible for approving budgetary and procurement strategy, defining and realising the benefits of a new Airports Developments Project content and monitoring the risks, quality and timeliness.

## **Role of the Steering Committee:**

The role of the Steering Committee is to:

- take on the responsibility for the Airports Developments Project feasibility projections, strategy and prioritization plans, and achievement of outcomes
- ensure the Airports Development remains aligned with Cayman Islands Government strategic aim(s)
- ensure the Airports Developments Project scope aligns with the requirements of the stakeholder groups
- provide those directly involved in the Airports Developments project with guidance on project issues
- ensure effort and expenditure are appropriate to stakeholder expectations
- address any issues that has major implications for the completion of the Airports Developments Project
- keep the Airports Developments Project consultant scope under control as emergent issues require changes to be considered
- reconcile differences in opinion and approach, and resolve disputes arising from them
- report Airports Developments Project progress on a monthly bases to the Board of the Cayman Islands Airports Authority
- review and approve final projects' deliverables

## **Role of individual Steering Committee members:**

The role of the individual member of the Committee includes:

- understanding the strategic implications and outcomes of initiatives being pursued through Airports Developments Project outputs
- appreciating the significance of the Airports Developments Project for some or all major stakeholders and perhaps represent their interests
- be genuinely interested in the initiative and the outcomes being pursued in the Airports Developments Project
- be an advocate for the Airports Developments Project outcomes
- have a broad understanding of the approach being adopted
- be committed to, and actively involved in pursuing the Airports Developments Project outcomes

In practice, this means that individual members will:

- ensure the requirements of stakeholders are met by the Airports Developments Project outputs
- help balance conflicting priorities and resources
- provide guidance to the Project Senior Project Manager and users of the Airports Developments Project outputs
- evaluate ideas and issues raised
- review the progress of the Airports Developments Project
- check adherence of Airports Developments Project activities to standards of best practice, both within the Government and in a wider context

## **General**

### **Membership:**

The Steering Committee shall be comprised of:

- Permanent Secretary & Chief Officer Ministry of Tourism and Transport
- Chief Executive Officer, Airports Authority (Chairman)
- Chief Operating Officer, Airports Authority
- Chief Commercial Officer, Airports Authority
- Chief Finance Officer, Airports Authority
- Deputy Director/Chief Project Manager, Public Works Department
- Facilities and Projects Manager, Airports Authority
- Senior Project Manager, Public Works Department (Secretary)

### **Chair:**

The Chair, CIAA Chief Executive Officer, shall convene the Steering Committee meetings.

The responsibilities of the Steering Committee Chair are as follows:

- sets the agenda for each meeting.
- ensures that agendas and supporting materials are delivered to members in advance of meetings.
- makes the purpose of each meeting clear to members and explains the agenda at the beginning of each meeting.
- clarifies and summarizes what is happening throughout each meeting.
- keeps the meeting moving by putting time limits on each agenda items and keeping all meetings to two hours or less.
- encourages broad participation from members in discussion by calling on different people.

- ends each meeting with a summary of decisions and assignments.
- follows up with consistently absent members to determine if they wish to discontinue membership.
- Finds replacements for members who discontinue participation.

### **Agenda Items:**

All Steering Committee agenda items must be forwarded to the Secretary by close of business 7 working days prior to the next scheduled meeting.

The Steering Committee agenda, with attached meeting papers will be distributed at least 5 working days prior to the next scheduled meeting.

The Chair has the right to refuse to list an item on the formal agenda, but members may raise an item under 'Other Business' if necessary and as time permits.

### **Minutes & Meeting Papers:**

The format of the Steering Committee deliberations shall be as Minutes.

The minutes of each Steering Committee meeting will be prepared by the Secretary (Senior Project Manager).

Full copies of the Minutes, including attachments, shall be provided to all Steering Committee members no later than 5 working days following each meeting.

By agreement of the Committee, out-of-session decisions will be deemed acceptable. Where agreed, all out-of-session decisions shall be recorded in the minutes of the next scheduled Steering Committee meeting.

### **Frequency of Meetings:**

The Steering Committee shall meet on a monthly base.

### **Proxies to Meetings:**

Members of the Steering Committee shall be able to nominate a proxy to attend a meeting if the member is unable to attend.

The Chair will be informed of the substitution at least 5 working days prior to the scheduled nominated meeting.

The nominated proxy shall have voting rights at the attended meeting. The nominated proxy shall provide relevant comments/feedback, of the Steering Committee member they are representing, to the attended meeting.

### **Quorum Requirements:**

A minimum of 3 Steering Committee members is required for the meeting to be recognised as an authorised meeting for the recommendations or resolutions to be valid.

**CAYMAN ISLANDS AIRPORTS  
AUTHORITY  
STRATEGIC OUTLINE CASE**

**Airports Development Project**



**Appendix 3  
Reference Materials**

- Estimation of Cost for Consultancy Services

End SOC Document

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