



Subject: Airport Hangar Land Lease Taxiway G1 Lot 5

Report Number: OPS 21-02

Author: Dan Locke, C.E.T., Manager of Public Works

Meeting Type: Council Meeting

Meeting Date: Monday, January 25, 2021

RECOMMENDATION

THAT Council receives report OPS 21-02 Airport Hangar Land Lease Taxiway G1 Lot 5;

AND THAT a By-law to execute the Hanger Land Lease Agreement for Taxiway G1 Lot 5 with Escalade Property Corp. be brought forward for Council consideration.

BACKGROUND

On March 9th, 2020 Council approved a lease agreement granting Mrs. Bailey to construct a new 60ft x 60ft hangar (3,600 sq. ft.) at the Tillsonburg Regional Airport along existing Taxiway G1 Lot #5. However, due to impact related to Covid the applicant was unable to move forward with the project.

Staff were approached by a new applicant Jonathan Leahy from Escalade Property Corporation and have reviewed the applicant's proposal to ensure the proposed hangar does not negatively impact future development plans. Staff are satisfied with the proposal and recommend that Council enter into the attached Airport Hangar Land Lease Agreement for Taxiway G1 Lot# 5 with Escalade Property Corp. to permit the construction of a 3,600 sq. ft. hangar for a twenty (20) year and one month term, expiring on January 1, 2041.

The construction of new hangars increases Airport revenue through both the land lease rental fee and the potential for additional fuel sales, supporting the Corporations goal of decreasing the net levy requirement to support Airport operations.

CONSULTATION

In 2019 the Tillsonburg Airport Advisory Committee worked hard reviewing several conceptual plans and options before finalizing the Taxiway G1 Development Plan Layout to facilitate additional development along the east side of existing Taxiway G1. This proposed new hangar is identical to the previously approved hangar for Lot #5 and as such conforms to the accepted Taxiway G1 Development Plan Layout previously reviewed by the Tillsonburg Airport Advisory Committee at the February 20th 2020 meeting.

It should be noted that this is the last General Aviation Hangar Lot that does not require additional infrastructure investment from the Town and that there are only two General Aviation Hangar Lots left after making ten (10) Lots available in the spring of 2019.

FINANCIAL IMPACT/FUNDING SOURCE

In accordance with the 2021 Rates & Fees By-law the annual land lease revenue is calculated at a rate of \$0.30 per sq. ft. Based on a 3,600 sq. ft. hangar the additional annual operating revenue is \$1,080 plus HST. In addition to all construction and final site grading costs, the Tenant is also responsible for all other site servicing costs (i.e. telecommunications, etc.) as well as the associated Property Taxes and a one-time Airport Infrastructure Fee of \$550 as per the 2021 Rates & Fees By-law.

COMMUNITY STRATEGIC PLAN (CSP) LINKAGE

1. Excellence in Local Government ☐ Demonstrate strong leadership in Town initiatives
 - ☐ Streamline communication and effectively collaborate within local government
 - ☐ Demonstrate accountability
2. Economic Sustainability
 - ☒ Support new and existing businesses and provide a variety of employment opportunities
 - ☐ Provide diverse retail services in the downtown core
 - ☐ Provide appropriate education and training opportunities in line with Tillsonburg's economy
3. Demographic Balance
 - ☐ Make Tillsonburg an attractive place to live for youth and young professionals
 - ☐ Provide opportunities for families to thrive
 - ☐ Support the aging population and an active senior citizenship
4. Culture and Community
 - ☐ Promote Tillsonburg as a unique and welcoming community
 - ☐ Provide a variety of leisure and cultural opportunities to suit all interests
 - ☐ Improve mobility and promote environmentally sustainable living

ATTACHMENTS

Appendix A – Taxiway G1 Lot 5 Hangar Land Lease Agreement