**RECOMMENDATION**

THAT Council receive Report OPS 19-39 Airport Hanger Land Lease Agreement Taxiway G3 Lot 3;

AND THAT a By-law to execute the Airport Hanger Land Lease Agreement with Dan Springer be brought forward for Council consideration.

**SUMMARY**

On May 21st 2019 Mr. Springer of Aviation Maintenance Limited applied to construct a new 60ft x 60ft hangar with two side sections of 15ft x 50ft each for a total of 5,100 sq. ft. at the Tillsonburg Regional Airport along the recently approved, yet to be constructed, northerly extension of Taxiway G3. Staff have reviewed and worked with the applicant to ensure the proposed hangar does not negatively impact future development plans and recommend that Council enter into the attached Airport Hanger Land Lease Agreement for Taxiway G3 Lot 1 & 2 with Dan Springer to permit the construction of a 5,100 sq. ft. hangar for a twenty (20) year and five month term, expiring on January 1, 2040.

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/COMMUNICATION**

The Tillsonburg Airport Advisory Committee indicated at their February 21st 2019 meeting that the priority was to do all that is necessary to build hangars this year. The Committee has reviewed several options and conceptual plans and accepted the conceptual plan for development along the northerly extension of Taxiway G3 at their April 18th 2019 meeting with the understanding that adjustments may be required to meet individual applicant needs.

Engineering Services has generated a Site Servicing & Grading Plan for Taxiway G3 Lot 1 & 2. The Airport Hangar Land Lease Agreement has recently been revised by staff and the Town’s Solicitor to reflect the recommendations contained within Report OPS 19-01 Airport Building Permits.
FUNDING IMPACT/ FUNDING SOURCE

In accordance with the 2019 Rates & Fees By-law the annual land lease revenue is calculated at a rate of $0.29 per sq. ft. Based on a 5,100 sq. ft. hangar the additional annual operating revenue is $1,479 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. electrical servicing, telecommunications, etc.) as well as the associated Property Taxes and a one-time Airport Infrastructure Fee of $525 as per the 2019 Rates & Fees By-law.

COMMUNITY STRATEGIC PLAN (CSP) IMPACT

The development and construction of new hangars at the Airport supports Objective 2 – Economic Sustainability of the Community Strategic Plan by providing additional revenue and the opportunity to support local businesses.
Report Approval Details

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<th>OPS 19-39 Airport Hanger Land Lease Taxiway G3 Lot 1 and 2.docx</th>
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<tr>
<td>Attachments:</td>
<td>- OPS 19-39 Attachment 1 - Taxiway G3 Lot 1 and 2 Site Servicing and Grading Plan.pdf</td>
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<td>- OPS 19-39 Attachment 2 - Taxiway G3 Lot 1 and 2 Land Lease Agreement.pdf</td>
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This report and all of its attachments were approved and signed as outlined below:

**Dave Rushton - Aug 1, 2019 - 12:22 PM**

[Signature]

David Calder - Aug 1, 2019 - 1:38 PM

Donna Wilson - Aug 6, 2019 - 9:28 AM