

REGION OF OTTAWA-CARLETON  
RÉGION D'OTTAWA-CARLETON

REPORT  
RAPPORT

Our File/N/Réf.  
 Your File/V/Réf.

DATE 17 August 2000

TO/DEST. Co-ordinator  
 Corporate Services and Economic Development Committee

FROM/EXP. Planning and Development Approvals Commissioner

SUBJECT/OBJET **LOAN GUARANTEE: WEST CARLETON AIRPORT  
 AUTHORITY**

---

**DEPARTMENTAL RECOMMENDATION**

**That Corporate Services and Economic Development Committee recommend Council provide a loan guarantee to an approved lending institution, in support of an application by the West Carleton Airport Authority for an amount not to exceed \$200,000 for the purpose of constructing a twenty (20) bay hangar on the Carp Airport property. The amortization period will be for a maximum of twenty years. The terms of the loan are to be to the satisfaction of the Region's Finance Commissioner.**

**BACKGROUND**

The Carp Airport occupies approximately 300 acres of a 1,000 acre property owned by the Region at March Road and Carp Road in the Township of West Carleton. The Airport is administered on the Region's behalf by the West Carleton Airport Authority (the Authority). The property is improved with a range of facilities designed to accommodate both recreational and commercial users. The main runway as well as taxi-ways and aprons was reconstructed as part of the last Federal-Provincial Infrastructure Program.

The Authority has received numerous requests over the last few years to increase the number of hangars available to private users of the airport. An increase in the number of hangars available is seen as a draw to increasing the number of pilots based at Carp which over time, is expected to lead to increase air-side activities at the airport.

In order to respond to these requests the Authority has initiated discussions with a number of potential hangar users and based on those initial contacts, have identified an initial hangar requirement capable of accommodating twenty (20) aircraft. Preliminary designs indicate a cost of approximately \$450,000 for construction. The Authority has completed a business case consisting of a combination of selling and leasing units to pilots. Based on that information, ten (10) bays will be sold at \$24,610/unit and ten will be leased at \$331.70/month with one year prepaid. Leases will be transferable. Operating costs will be borne by the occupants.

After expenses including loan repayment, a positive cash flow of approximately \$700/month (\$8,400/annum) is achievable. Based on the level of demand expressed to date, 100% occupancy is seen as a realistic expectation. This hangar will be constructed directly behind the existing long hangar and provision will be made for the construction of two more hangars in future as demand dictates.

The Authority has presented the financial details to Scotiabank. The bank has confirmed in writing the financial details are such that they are prepared to lend the amount requested. The West Carleton Airport Authority manages the airport on the Region's behalf but does not own the land. Without ownership, the bank will not lend unless the owner of the land (the Region), guarantees the loan. In order to move this matter forward, it is staff's recommendation that the Region guarantee the loan in the amount of \$200,000.

#### FINANCIAL STATEMENT

As a result of this effort, a positive cash flow will result which in turn, will assist to Authority in its efforts to reduce its dependency on municipal financial contributions. Expanded use of the airport for recreational and business pilots will ultimately attract expanded air side users which might include sales, maintenance, fuel services etc.. This is seen as a first step in the creation of the critical mass necessary to move the airport forward.

#### PUBLIC CONSULTATION

This matter is seen as an internal administrative matter and as such, no public consultation has been undertaken. As part of its marketing campaign, the local and surrounding area pilots will be advised of the availability of the service.

#### NEW CITY IMPACT - TRANSITION BOARD

The purpose of this project is to guarantee a loan from a major bank, to the West Carleton Airport Authority who in turn will manage the construction and day to day operations of the hangar building. It will result in increased revenues to the Authority which will ultimately reduce its financial dependency on municipal funding.

In accordance with Ottawa Transition Board Regulation 100/200 Section 4, Guidelines- Financial Guideline No 1, Section 5.1 b, this transaction requires the approval of the Transition Board.

*Approved by  
Nick Tunnacliffe, RPP, MCIP*