

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
 Your File/V/Réf.

DATE 24 August 2000

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

FROM/EXP. Planning and Development Approvals Commissioner

SUBJECT/OBJET **LAND LEASE CARP AIRPORT**

DEPARTMENTAL RECOMMENDATION

That Corporate Services and Economic Development Committee recommend Council authorize the West Carleton Airport Authority to negotiate a lease with Helicopter Transport Services(Canada) Inc., having an initial term of twenty (20) years with two ten (10) year options. Details of the lease remain to be negotiated. Final approval of the conditions will be subject to the approval of the Region's Chief Administrative Officer.

BACKGROUND

Helicopter Transport Services (Canada) Inc. (HTSC) operates a helicopter service from a building on the Carp Airport property. The existing structure is home base for a fleet of 53 aircraft operating throughout North America. Their existing facility provides maintenance, storage and administrative space for their expanding operations at Carp. HTSC has recently decided to close its Timmins facility in favour of consolidating its off-season maintenance program at Carp Airport.

In order for HTSC to satisfy its space requirements, they initiated discussions with the West Carleton Airport Authority (the Authority) to lease additional land to the south of their present structure to accommodate a 26,500 sq. ft. facility designed to provide additional hanger space and to include 12,000 sq. ft. to satisfy their administrative office requirements. The building will include sufficient space to accommodate a flight based operations centre in the future. The company is of the opinion that a first class flight based operations centre to respond to the corporate business market will become a necessity at Carp and wishes to position itself to respond to those needs.

HTSC would like to move very quickly to initiate construction. They are seeking assurances that a long-term lease will be acceptable the Region before moving forward. In order to meet HTSC's construction timetable, a lease will have to be negotiated within the next three weeks so that materials can be ordered.

At this point, we are seeking approval of the term of twenty (20) years with two ten (10) year options to extend. We are also seeking Council's authority to negotiate rents and terms and authorizing the Region's CAO to approve the final lease document.

Members of Council are reminded that the transfer of the Carp Airport from the Federal Government to the Region included the provision that the airport be managed as an operating airport open to the public. Failing this, the Minister is to be notified and the Federal Government will have the option to take over ownership and operation of the airport. This option expires on March 13, 2007. We believe the proposal from HTSC is one that should be pursued. In the event circumstances should arise which result in the return of the property to the Federal Government, or to any other party, the existence of improved revenue streams is seen as an added benefit to the operation.

We are of the opinion that the future viability of this airport is tied to expanded private and business operations that are air related. The future of the balance of the site is also affected by the success of the air operations side. HTSC is prepared to make a significant financial commitment to the future of this airport resulting in additional employment opportunities. We believe it is desirable to promote this type of expansion at Carp. In order to justify the initial investment, HTSC is looking for a long term commitment from Council which we believe is reasonable.

FINANCIAL STATEMENT

This proposal does not require a financial investment by the Region or the West Carleton Airport Authority. It represents an opportunity to generate additional rents at Carp Airport which will assist in reducing the airport operating cost dependency on municipal funding.

PUBLIC CONSULTATION

This is seen as an internal administrative matter and as such no public consultation was undertaken.

NEW CITY IMPACT - TRANSITION BOARD

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

Approved by
Nick Tunnacliffe, MCIP, RPP