



**Subject: Niagara Central Dorothy Rungeling Airport Commission –
Facilitation of Hangar Purchase**

To: Council

From: Corporate Services Department

Report Number: 2023-90

Meeting Date: May 9, 2023

Recommendation:

That Corporate Services Department Report 2023-90 be received; and

That Council delegate authority to the Chief Administrative Officer and the Director, Corporate Services/Treasurer to enter into an agreement to purchase a hangar identified by the Commission and sell the hangar to the Niagara Central Dorothy Rungeling Airport Commission provided written confirmation from Grant Thornton of their verbal tax advice as outlined in the report is received;

That a by-law and an agreement to purchase a hangar identified by the Commission and sell the hangar to the Niagara Central Dorothy Rungeling Airport Commission be brought a future Council meeting.

Purpose:

The purpose of this report is to bring forward a request of the Niagara Central Dorothy Rungeling Airport Commission (“Commission”) to facilitate the purchase of hangar identified by the Commission.

Background:

The commission operates a two-runway airport offering a year-round fixed-base operation that is funded by four nearby municipalities; City of Welland, City of Port Colborne, Town of Pelham, and the Township of Wainfleet. These four municipalities each have a non-controlling interest in the Airport.

Discussion:

The Commission has noted they have an opportunity to purchase an existing hangar at the airport as part of its plan to create 10 new/existing plane rental hangar spaces as part of its financial sustainability plan beginning in 2023. The first component is the conversion of an existing hangar into a multiplex rental hangar for pilots seeking space.

To facilitate the purchase of this hangar, the Commission has asked the City for assistance. The Commission proposes a transaction as follows to help minimize the overall cost of acquiring the hangar:

Step 1: The Commission and City enter into a legal agreement where the Commission purchases the hangar from the City once the City purchases the hangar from the current owner. The purchase price will reimburse the City for all net costs incurred.

Step 2: The hangar owner donates \$25,000 in cash to the City. The City to provide a cash receipt.

Step 3: The City purchases the hangar from the hangar owner for \$125,000.

Step 4: The agreement for the Commission to purchase the hangar from the City is completed and the City is reimbursed \$100,000 (\$125,000 - \$25,000) plus any legal and/or transactional expenses.

The Commission has noted it believes this transaction method is the most cost-effective method for the airport to acquire the hangar. The Commission has further asked, if the City is willing to move forward and facilitate the transaction, that the transaction be completed before June 5, 2023, or as soon as possible thereafter.

Internal Consultations:

The City's Strategic Planning and Economic Development division will oversee the transition should Council approve.

Financial Implications:

The City is capable of facilitating the transfer of the hangar to the Commission as long as the City is reimbursed for all costs. Staff have been assured by the Commission that there will be no cost to the City.

The City has provided no financial advice to the current owner of hangar.

At the time of writing this report the City has received verbal advice from Grant Thornton that, provided the purchase and donation are separate transactions, a tax receipt can

be issued. It is recommended no transaction be completed until such advice is provided in writing.

The Commission has expressed their understanding that this will help secure the hangar in the most cost-effective method.

Public Engagement:

Public engagement is not required as part of this process.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - Attracting Business Investment and Tourists to Port Colborne
 - City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
 - Value: Financial Management to Achieve Financial Sustainability
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Conclusion:

Staff recommend that this report be approved in order to facilitate the Commission's acquisition of the hangar.

Appendices:

- a. Letter of Request from the Commission

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.