



April 16, 2018

Mavis Nathoo  
Strathcona County  
County Hall  
2001 Sherwood Drive  
Sherwood Park, AB T8A 3W7  
via email: Mavis.Nathoo@strathcona.ca

**Re: Cooking Lake Airport: MGA s.347 Application**

Dear Ms. Nathoo,

Section 347(1)(b) of the Municipal Government Act (MGA) permits Strathcona County to cancel or refund all or part of a tax, if Council considers it equitable to do so.

We respectfully request Council to consider refunding the property taxes for all properties located within the boundaries of the Cooking Lake Airport to: The Owners Condominium Plan 1721695.

The refunded property taxes will be used to rehabilitate the aging public-use aeronautical facilities (runways, taxiways, terminal) at the airport. These facilities have been in continuous use for the past 35 years and are nearing the end of their service life.

Combining the facility rehabilitation with a modest runway extension will substantially increase the utility of the airport and create an additional \$319 million (10 year NPV) GDP contribution to the region while also generating an incremental 1.3 million (10 year NPV) of property taxes for the County over the same period.

Additional details regarding this request are attached to this letter. Please let me know if you need any additional information.

Kind regards,

A handwritten signature in purple ink, appearing to read "J. John", is written above the printed name of the volunteer.

Volunteer  
Cooking Lake Airport

cc.  
Mr. Rod Frank, Mayor Strathcona County  
Mr. Wayne Minke, Director Assessment and Tax

### **What will the property tax refund be used for?**

- The refunded property taxes will be used for rehabilitation of essential public-use aeronautical transportation infrastructure (runway, taxiways, public terminal, etc.) plus a modest runway extension which will significantly increase the utility of the airport.
- The total cost of the rehabilitation project is estimated to be \$3.3 million of which the County's proposed share is \$837,500. The Cooking Lake Airport will also contribute \$837,500 with the Province providing the balance of \$1,625,000.

### **What value does the Cooking Lake Airport bring to Strathcona County residents today?**

- \$9.85 million annual GDP contribution to the region
- 33 full time equivalent (FTE) jobs
- \$250,000 annual property tax contribution
- 26,000 aircraft movements/year (sixth busiest community airport in Alberta).
- Two flight training schools
- Search and rescue base (CASARA)
- International airport (CBSA CANPASS AOE)

### **What are the future benefits to the County for investing in Cooking Lake Airport?**

- Regional GDP increase of \$319 million (10 year NPV)
- Incremental property tax revenues of \$1.3 million (10 year NPV)
- Creation of 195 full time equivalent jobs (FTE) in year 10
- Additional 1,226 per years (cumulative) of employment through year 10
- County will recover 100% of property tax refund within 7 years (post-rehabilitation) and 178% of property tax investment in 10 years.

### **Per MGA s.347 is it equitable to refund taxes for investment in public-use infrastructure at Cooking Lake Airport?**

- For many years the Cooking Lake Airport has served 87% of the public aeronautical transportation needs of the County - at zero cost to taxpayers.
- In contrast, the County-owned Warren Thomas Aerodrome serves only 14% of the County's public aeronautical transportation needs - at significant cost to taxpayers.
- The annual cost of the Warren Thomas Aerodrome to taxpayers is estimated to be on the order of \$165,000 per year (\$65,000 direct costs + \$100,000 of indirect costs). Indirect costs include County services such as snow removal, pavement maintenance/repair, administration, accounting, and regulatory compliance).

- As such, the Warren Thomas Aerodrome receives a taxpayer funded subsidy that is almost 4 times greater than the tax contribution of the airport. Cooking Lake Airport, which serves 87% of the public aeronautical traffic needs of the County, receives nothing. That is not equitable.
- Property taxes for hangars at the Cooking Lake Airport are approximately double those of comparably sized hangars at the Warren Thomas Aerodrome. Cooking Lake Airport users pay double the property taxes and receive no airport services from the County while Warren Thomas users pay half the tax and receive 100% of airport services from the County.

### **Why should Council refund airport property taxes back to the airport?**

- Refunding the property taxes for this purpose provides an excellent return on investment for County taxpayers.
- Cooking Lake Airport is the oldest operating public airport in Canada and the sixth busiest community airport in Alberta – it serves the same volume of traffic as the Lethbridge International Airport. It is a significant and vital part of Alberta's public aeronautical transportation system.
- Per MGA s.347, it's the equitable and responsible thing to do.

## Background: Airports in Strathcona County

Strathcona County is home to two Transport Canada designated public airports: Cooking Lake Airport and the Warren Thomas Aerodrome (Josephberg). Cooking Lake Airport serves 87% of the County's public aeronautical transportation needs while the Warren Thomas Aerodrome serves the remaining 13%.

Strathcona County provides all operations, and administration support services to the Warren Thomas Airport. The County provides no similar services to the Cooking Lake Airport. The following table summarizes some of the key attributes of each airport.

	Cooking Lake Airport	Warren Thomas Airport
<b>Transport Canada PUBLIC Airport</b>	Yes	Yes
<b>Annual Aircraft Movements</b>	~26,000 (87%)	~4,000 (\$13%)
<b>CBSA CANPASS approved International Airport</b>	Yes	No
<b>Hangars</b>	78	28
<b>Flight Training Schools</b>	2	0
<b>Aircraft Maintenance Shops</b>	4	0
<b>Search and Rescue</b>	Yes	No
<b>Nearest population center (&gt;1,000 persons)</b>	Sherwood Park	Fort Saskatchewan
<b>Public Terminal building</b>	1	1
<b>Public Parks</b>	1	0
<b>Cost to Taxpayer</b>	\$0/year	\$165K/year <sup>1</sup>
<b>Non-profit</b>	Yes	Yes
<b>Property Tax Contribution</b>	\$250K/year	\$45K/year

Note <sup>1</sup> The Warren Thomas 2018 budget projects a direct operating loss of \$65K. However, that does not include "indirect" expenses such as snow removal, accounting, management, and legal, which are provided by the County. These indirect services would add a minimum of \$100K to the operating loss of the airport and bring the total operating loss to around \$165K/year.

There are also four Transport Canada designated private aerodromes within the County. Private aerodromes are restricted to the exclusive use of the airport operator – they are closed to the public. The four private aerodromes are:

- Eastport (private helicopter pad)
- Bailey (private helicopter pad)
- Lechelt Field (private farm strip – grass runway)
- Twin Island Airpark (private residential strip – grass runway)