

DECISION/DIRECTION NOTE

Title: Municipal Authority Agreement

Date of Meeting: July 9th, 2019

Report To: Committee of the Whole

Councillor and Role: His Worship the Mayor & Members of Council

Ward: N/A

Decision/Direction Required: Approval of the Municipal Authority Agreement with the St. John's International Airport Authority.

Discussion – Background and Current Status:

The City of St. John's and the St. John's International Airport Authority (SJIAA) have an extensive history involving discussions on several key issues facing both parties including:

1. development of airport property including both the terminal and private interests,
2. water supply for the airport,
3. the assessed value and ultimate taxation of the SJIAA and its' tenants,
4. access to airport land for the extension of Hebron way, and
5. partnership opportunities to enhance the economic development of the region.

At times these discussions have been hampered by the absence of a comprehensive framework to guide the discussions as many of the issues are interrelated. As a result, this has led to delays in City projects and an extensive amount of time and money trying to establish a fair assessed value of a unique property.

However, after extensive negotiations which spanned several years, the City and SJIAA have reached a comprehensive agreement – a Municipal Authority Agreement – which guides the future relations between the parties.

The main highlights of the agreement are as follows:

1. the agreement is for an 11-year term with the option to renew for another 10 years,
2. both parties agree to consult with each other on development, especially those which have direct impact on the other,
3. the SJIAA will be permitted to install double left turn lanes exiting the airport property at their cost,



4. the SJIAA will be permitted to connect to the City water supply fed from the Autumn Drive reservoir at their cost,
5. taxes to be paid by SJIAA have been agreed upon back to 2013 meaning all appeals are dropped,
6. taxes for 2019 will be \$1,000,000 adjusted for inflation on a go forward basis,
7. The City will be provided with access to the land to allow for the extension of Hebron way to major's Path at the City's cost
8. The City will commit a maximum of \$100K per year into an airline attraction/retention fund to promote the economic development of the region. This is pending the agreement of the federal and provincial governments and the SJIAA to contribute as well.

The City sees the airport as a key economic driver for not only the City but the entire province. This agreement allows the City and SJIAA to move forward in true partnership fashion.

Key Considerations/Implications:

1. Budget/Financial Implications
2. Partners or Other Stakeholders
3. Alignment with Strategic Directions/Adopted Plans
4. Legal or Policy Implications
5. Privacy Implications
6. Engagement and Communications Considerations
7. Human Resource Implications
8. Procurement Implications
9. Information Technology Implications
10. Other Implications



Recommendation:

It is recommended the attached Municipal Authority Agreement between the City and the St. John's International Airport Authority be approved.

Prepared by/Date: Derek Coffey, Deputy City Manager – Finance & Administration

Approved by/Date: Kevin Breen, City Manager

Attachments:

ST. JOHN'S