

## PACKET & TIMES

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Lake Simcoe Regional Airport

**City may yank support**

### Investments in airport have not paid off for Orillia, says new report

The City of Orillia will review its involvement in the Lake Simcoe Regional Airport, following **a damning report from the city treasurer that sees negligible benefits from investments in the facility over the years.**

"There does not appear to be returns to the city, except perhaps some political goodwill," Bob Ripley stated in a report discussed at Monday's council committee meeting.

Under a three-way agreement with Oro-Medonte Township and Barrie, Orillia pays 16.32 per cent of the airport's operating costs, based on tax comparative assessments.

**The city has also been asked to contribute \$2.3 million as its capital share of a \$14.3-million, 10-year development plan at the facility on Line 7 in Oro-Medonte.**

**This year, Orillia's operating and capital commitments add up to \$83,338.**

With increasing capital demands and chronic annual deficits, the city's contribution could climb to 0.5 per cent of its annual tax levy, the same sum spent on all other economic development in the city, Ripley noted.

The airport is not projecting any financial returns between now and 2025.

Proposed economic spinoff from the airport is supposed to occur in the form of job creation at the rate of 113 per year. At the projected rate, that would work out to 18 employees taking up residence in Orillia annually.

Since residential assessment is taxed at less than the cost of servicing, this results in a net loss.

The only significant spinoff would be industrial development resulting from the existence of the airport, something that is not foreseen at the moment, Ripley indicated.

It might make more sense to spend the money now going to the airport to market industrial land in Orillia, Ripley said in his report.

Coun. Don Evans commended Ripley for a report that challenges the course council has been following.

"I'm not convinced of any direct financial returns from the airport," said Evans, suggesting the money spent on the airport be transferred to the economic development office.

But Mayor Ron Stevens said soul-searching about the city's commitment to the airport is nothing new.

"Each term of council, we have to come back and justify our involvement," Stevens said. "Here we are back taking another crack at the cat."

The city does benefit economically and should remain a full partner in the airport, said Stevens.

Councillors Wayne Gardy, Ralph Cipolla and Paul Spears agreed there is worthwhile economic spinoff.

We can't leave our partners in the lurch, said Gardy, who sits on the airport commission with Spears.

"If, after 12 to 13 years, we can't work with our partners, we're in poor shape," said Gardy.

"Without our support, the future of the airport could be doubtful," said Cipolla.

But Coun. Tim Lauer sided with Evans, saying "it makes no sense to invest in an economic development strategy in Oro-Medonte as opposed to our own."

Coun. Michael Fogarty also said he opposed spending significant dollars on a facility outside the city.

In the end, council decided to have staff review the agreement and the funding formula to determine if the city can bail out in the future if costs become insupportable.