



Transport  
Canada

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TP 12313  
(04/2005)

April 2005

# Airports Capital Assistance Program

Information to  
Program Applicants



Canada

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# **AIRPORTS CAPITAL ASSISTANCE PROGRAM**

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# AIRPORTS CAPITAL ASSISTANCE PROGRAM

## Information to Program Applicants

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# AIRPORTS CAPITAL ASSISTANCE PROGRAM

## Information to Program Applicants

### PURPOSE

To assist eligible applicants in financing capital projects related to safety, asset protection and operating cost reduction.

### ELIGIBLE APPLICANTS

The owner of an eligible airport or its operator (if so designated by the owner and a long-term contractual relationship is in place).

### ELIGIBLE AIRPORTS

Airports with year-round regularly scheduled passenger service which are not owned or operated by the Federal Government and which meet the requirements of the Canadian Aviation Regulations, Part III, Subpart 2, Airports (TP312 "Aerodrome Standards and Recommended Practices") with respect to certification<sup>1</sup>.

In the case of an airport designated as a "Remote Airport" under the terms and conditions of the National Airports Policy (issued July 13, 1994), the eligibility requirement to receive regularly scheduled passenger service does not apply.

An airport shall be deemed to be served by scheduled passenger service if in each year of the most recent three calendar-year period an airport handled annually a minimum of 1,000 regularly scheduled passengers as reflected in Statistics Canada official passenger statistics. In the absence of official Statistics Canada passenger statistics, the airport owner/operator will be required to complete a statutory declaration.

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<sup>1</sup>A registered aerodrome will be considered as being eligible provided that it is reasonably close to certification, and the proposed project will bring it up to certification. Eligibility will be assessed by Transport Canada on an individual basis.

# TYPES OF CONTRIBUTIONS AVAILABLE

## Eligible Projects

Contributions will be considered for the following types of projects in descending order of priority:

**1st Priority:** Safety-related airside projects<sup>2</sup> such as rehabilitation of runways, taxiways, aprons, associated lighting, visual aids, sand storage sheds, utilities to service eligible items, related site preparation costs including directly associated environmental costs, aircraft firefighting equipment and equipment shelters which are necessary to maintain the airport's level of protection as required by regulation.

**2nd Priority:** Heavy airside mobile equipment (safety related) such as runway snowblowers, runway snowplows, runway sweepers, spreaders, winter friction testing devices, and heavy airside mobile equipment shelters.

**3rd Priority:** Air terminal building/groundside safety related - such as sprinkler systems, asbestos removal, barrier-free access.

**4th Priority:** Asset protection/refurbishing/relifing or operating cost reduction - air terminal building, groundside access.

## Ineligible Projects

Contributions cannot be provided for the following projects:

- purchase of land;
- feasibility, planning or zoning studies; or
- projects which have already been physically initiated or completed.

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<sup>2</sup> Only airside safety-related projects required to accommodate the aircraft providing the year-round regularly scheduled passenger service will be funded. Any additional requirements will be the responsibility of the recipient.



## EVALUATION CRITERIA

The Project must:

- 1) be essential to maintain or improve safety, protect the asset or significantly reduce operating costs;
- 2) meet accepted engineering practices; and
- 3) be justified on the basis of current demand. Projects which result in an expansion of the facilities will only be considered where it is demonstrated that the current facilities negatively impact safety.

The Applicant must demonstrate financial need, i.e. inability of the airport to self-finance the project, and will be required to provide audited financial statements for the airport for the past three years.<sup>3</sup>

## FUNDING

Priority for funding will be established by Transport Canada on the basis of:

- category of the eligible project (i.e. priority 1, 2, 3 or 4 as outlined above);
- technical analysis (facility condition, asset maintenance history and proposed future maintenance schedule);
- airport traffic (year-round scheduled service, aircraft and passenger);
- airport certification requirements; and
- consultations with regional and local stakeholders.

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<sup>3</sup> The audited statements may extend to more than the airport where the applicant has other operations.

# TRANSPORT CANADA'S CONTRIBUTION

For eligible projects of the 1st and 3rd priorities, except for Aircraft Firefighting Services projects as required by regulation which are reimbursed at 100% of eligible costs, TC will contribute towards an Applicant's project according to the following table, subject to the level of airport activity, based on the average of the statistics (identified by Statistics Canada or by statutory declaration) for the most recent three calendar-year period:

Scheduled Commercial Passengers* ..... %			
1,000 - 49,999:	100%	300,000 - 324,999:	45%
50,000 - 74,999:	95%	325,000 - 349,999:	40%
75,000 - 99,999:	90%	350,000 - 374,999:	35%
100,000 - 124,999:	85%	375,000 - 399,999:	30%
125,000 - 149,999:	80%	400,000 - 424,999:	25%
150,000 - 174,999:	75%	425,000 - 449,999:	20%
175,000 - 199,999:	70%	450,000 - 474,999:	15%
200,000 - 224,999:	65%	475,000 - 499,999:	10%
225,000 - 249,999:	60%	500,000 - 524,999:	5%
250,000 - 274,999:	55%	more than 525,000:	0%
275,000 - 299,999:	50%		

\* For airports north of the 60<sup>th</sup> parallel, the contribution will be no less than 85%.

For projects of the 2nd priority:

Transport Canada's contribution for heavy airside mobile equipment is the same as Priority 1 except that when the equipment is not totally dedicated to airport use, the federal share will be decreased proportionately.

Equipment salvage value will be deducted from the equipment cost prior to applying the Transport Canada contribution formula.

Transport Canada's contribution will be a maximum of 50% towards the cost of airside mobile equipment shelters.

For projects of the 4th priority:

Transport Canada's contribution will be a maximum of 50% towards the cost of the project.

## HOW TO APPLY

Applications are to be made to the Regional Director General, Transport Canada, of the Region within which the Applicant's airport is located. A directory of Transport Canada Regional Offices is attached as Annex A.

Applications may be submitted at any time. To be considered for funding during a particular fiscal year (April 1 to March 31), an application should reach the appropriate Regional Office by September 1 of the preceding year.

### Preliminary Discussions

Applicants are strongly encouraged to discuss their requests for funding with Regional officials before formally submitting their applications.

The project development and application preparation are the responsibility of the Applicant.

The cost of development work (i.e. design work and environmental assessment reports) may be included in the total contribution requested; however, it should be noted that the project development costs will only be reimbursed for those components of the application approved and funded.

### Application

To enable Departmental officials to undertake a proper evaluation, the following information must be provided with the application.

#### *Airport-Related Data (as appropriate to the project):*

- existing ownership or lease or other operating arrangements;
- airport history, geographical location, services provided to stakeholders, economic benefit of the airport to the community/communities, number of employees for which the airport provides employment, catchment area, population served, etc.;
- existing site plans providing details on the location and layout of the airport, facility dimensions, structure construction and condition, and the dimensions of the aircraft movement areas;
- services and utilities: water, sewer, power, fuel;
- type and location of visual aids for navigation and airside lighting facilities;

- long-range capital investment/asset replacement plan, if applicable;
- as evidence that the airport is unable to self-finance the project, audited financial statements for the airport for the past three (3) years and a demonstrated inability to currently finance the project;
- annual enplaned/deplaned passenger statistics for most recent three (3) calendar- year period;
- air carrier(s)/aircraft providing the year-round regularly scheduled passenger service and flight schedule(s);
- number of aircraft movements; and
- geotechnical data (soil type, subgrade bearing strength, surface topography, drainage).

*Project Specific Data (as appropriate):*

- a statement of project requirements and scope of work including a project definition and justification based on the evaluation criteria;
- a quality assurance program before and during project implementation;
- a statement of project management services including design, consultant services, construction, field services, quality control and commissioning;
- a cost plan incorporating budgeting, estimating and cost control processes as well as a substantive estimate of cost by major work item for all phases of project delivery (i.e. design, environmental assessment, tendering, construction, etc.);
- a project schedule for all phases of project delivery showing anticipated start and finish dates, major milestones and a cash flow projection;
- a financial plan incorporating the securing of project financing including cost sharing arrangements, payment certification and project accounting;
- a design indicating geometric dimensions, specifications, construction methods, materials, etc.;
- the source of the design and the name of the engineer/engineering firm/architect which prepared or reviewed the design;
- as evidence of appropriate maintenance of the existing facility and/or equipment, an operational/maintenance plan (i.e. crackfilling program, electrical maintenance, vehicle maintenance, etc.), and relevant copies of maintenance records indicating maintenance work undertaken and costs incurred;
- for heavy airside mobile equipment applications, a vehicle condition report and maintenance/repair record, vehicle inventory list, proposed vehicle replacement schedule, and the trade-in or salvage value (i.e. a written independent estimate from a qualified source for the equipment being replaced); and
- anticipated changes in operating and maintenance costs as a result of the project.

The project should be sufficiently developed to enable the Applicant to tender the project within a reasonable timeframe after the signing of the contribution agreement.

### *Environment:*

- In support of the Government's objective to incorporate sustainable development principles in the management of its programs, whenever possible, the Applicant should demonstrate that environmental considerations have been integrated into the project. For example, this could include seeking cost-effective ways of reducing the use of raw materials and the generation of waste associated with the project or by investigating the feasibility of acquiring heavy mobile equipment that will minimize harmful emissions.
- an environmental review must be completed in accordance with the Canadian Environmental Assessment Act and approved by the Regional Office of Transport Canada.

### *Best Value:*

The applicant must demonstrate that best value has been achieved in the procurement of consultant services for all phases of the project, including project development.

## **APPLICATION EVALUATION, DECISION, ANNOUNCEMENT**

Regional offices will review the applications, against the criteria previously identified, and submit a list of qualified contributions to the Assistant Deputy Minister, Programs and Divestiture, who approves the funding of all contributions under this program.

Transport Canada officials may contact the Applicant to obtain additional information, to arrange a site visit, or to discuss the project design and cost estimates.

The Regional Director General will advise Applicants as soon as possible if their application has not been forwarded to Headquarters for funding consideration.

The Assistant Deputy Minister, Programs and Divestiture will review the qualified applications received from the regions and determine whether or not a contribution will be funded. All Applicants will be advised whether or not their application has been approved for funding in the upcoming fiscal year.

An eligible Applicant is not automatically entitled to receive financial assistance under this program. The frequency and amount of assistance under this program is dependent on the availability of funding and at the discretion of Transport Canada.

No entitlement exists.

Applicants whose projects cannot be funded will be advised that they have been placed on a reserve list. If, by September 1, the project has still not been funded, the Applicant will be asked to reconfirm the necessity for their project and the validity of the design work and cost estimates.

Applicants whose projects have been funded, now referred to as Recipients, will be required to enter into a Contribution Agreement specifying the nature and scope of the work to be performed and the maximum contribution by the Crown. The appropriate Regional Office will negotiate the Contribution Agreement. Normally, the Contribution Agreement will be in place by April 1st.

## **THE CONTRIBUTION AGREEMENT**

A Contribution Agreement must be executed by both Transport Canada and the Recipient before any work can commence on the project. Any work started before the Agreement has been fully executed will not be eligible for reimbursement. A project cannot be funded until the start of the fiscal year in which the project will be undertaken.

The approved contribution amount is the maximum funding that will be provided. The actual reimbursement amount may be less; only expenditures as agreed to and substantiated will be reimbursed.

Recipients will be required to complete a Conflict of Interest and Post-Employment Code for Former Public Office Holders questionnaire (Annex B).

The Recipient must ensure that any person lobbying on its behalf is registered pursuant to the Lobbyist Registration Act.

If the contribution is \$1,000,000 or greater, the Recipient will be required to continue operating the airport to aerodrome certification standards for a period of ten years following the date of execution of the Contribution Agreement or repay the contribution. In the event the contribution is for less than \$1,000,000, the period of operating obligation will correspond to the contribution amount, i.e. one year for every \$100,000. However, no operating term will be less than two years.

The Recipient must declare any and all sources of funding for the project at the time the agreement is negotiated as well as upon completion of the project. Specific limits to funding assistance under this Program may be considered should a Recipient receive funding from other levels of government, including other federal sources, for the proposed project.

Transport Canada shall have the right of access, information and audit to determine compliance with the terms and conditions of the contribution agreement.

Applicants/Recipients are advised to review the contribution agreement carefully.

## **PAYMENT**

Any payment made by the government is subject to there being an appropriation by Parliament for the fiscal year in which the payment is to be made. In the event that departmental funding levels are changed by Parliament, a contribution may be reduced or cancelled.

Contributions will be paid as a reimbursement for actual eligible expenditures made by a Recipient, based on proof of payment, as part of undertaking the project. In exceptional cases where advance payments may be required, the amount will be determined in accordance with the Government's Policy on Transfer Payments. (Further details concerning advance payments may be obtained from the Transport Canada regional offices.)

A minimum of 10% of the contribution will be held back until Transport Canada has received evidence that the Recipient has fully complied with the terms and conditions of the Contribution Agreement.

For any project consisting of the procurement of heavy airside mobile equipment for the airport, no payment of the contribution will be made until the Recipient has met delivery, registration, insurance and training requirements, as specified in the Contribution Agreement.

The scope of a project cannot be changed without written agreement between the Recipient and Transport Canada. Costs associated with work performed outside the approved scope without prior approval of Transport Canada will be the responsibility of the Recipient.

Any costs over and above the approved level of funding will be the responsibility of the Recipient.

The Recipient shall seek to achieve Best Value throughout all phases of the implementation of the project.

*Additional information regarding the Airports Capital Assistance Program can be obtained by contacting any of the regional offices listed in Annex A*

## TRANSPORT CANADA REGIONAL OFFICES

<b>Atlantic Region</b>	Regional Director General Atlantic Region Transport Canada P.O. Box 42 95 Foundry Street, 6th floor Heritage Court Moncton, New Brunswick E1C 8K6  Telephone: 1 (506) 851-7315 Facsimile: 1 (506) 851-3099
<b>Quebec Region</b>	Regional Director General Québec Region Transport Canada 700 Leigh Capréol Dorval, Québec H4Y 1G7  Telephone: 1 (514) 633-2717 Facsimile: 1 (514) 633-2720
<b>Ontario Region</b>	Regional Director General Ontario Region Transport Canada 4900 Yonge Street, 4th floor Toronto, Ontario M2N 6A5  Telephone: 1 (416) 952-2170 Facsimile: 1 (416) 952-2174



## TRANSPORT CANADA REGIONAL OFFICES

<b>Prairie and Northern Region</b>	Regional Director General Prairie and Northern Region Transport Canada P.O. Box 8550 344 Edmonton Street, 4th Floor Winnipeg, Manitoba R3C 0P6  Telephone: 1 (204) 984-8105 Facsimile: 1 (204) 984-8119
<b>Pacific Region</b>	Regional Director General Pacific Region Transport Canada 800 Burrard Street, Suite 620 Vancouver, British Columbia V6Z 2J8  Telephone: 1 (604) 666-5849 Facsimile: 1 (604) 666-7255

**CONFLICT OF INTEREST AND POST-EMPLOYMENT CODE  
FOR FORMER PUBLIC OFFICE HOLDERS  
QUESTIONNAIRE**

1. Do you presently employ, in your business or establishment, a former office holder who left the Federal Government in the last twelve months?
2. Does your business have as a shareholder a former public office holder who left the Federal Government in the last twelve months?
3. If you have answered yes to question 1 or 2 above, was this person at an EX (Executive) level or above while in public office?
4. If you have answered yes to question 3, would you please ask that the employee/shareholder contact his/her former department to obtain written confirmation that he/she is in compliance with the post-employment provisions of the Conflict of Interest and Post-Employment Code. Such confirmation must be provided to the Minister prior to the signing of any contribution agreement by Transport Canada officials.