

Mark Holland, M.P., Ajax-Pickering



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**News Release****June 19, 2007****For Immediate Release:****Documents underline Transport Canada's mismanagement of Pickering Lands**

New evidence of Transport Canada's mismanagement of the Pickering Lands has surfaced in documents obtained by MP Mark Holland under the Access to Information Act – documents requested in August last year, which the department at first claimed didn't exist.

The documents are so heavily censored that they are difficult to follow, but they make it clear that Transport Canada sacrificed considerable potential revenue by allowing houses to deteriorate, boarding them up, refusing to re-rent houses that became vacant, and charging rents substantially below market that failed to cover monies paid in lieu of taxes to local municipalities.

"This is a department that is so fixated on building an unnecessary airport in Pickering that they have completely bungled the management of the lands," says Holland. "This mismanagement has been going on for many years under successive governments, and it's clear that the bureaucrats are incompetent. I'm also disturbed about what these heavily censored documents hide – are they just covering up more incompetence, or are they trying to hide the department's efforts to depopulate our communities?"

A confidential draft report by Transport Canada Programs and Divestiture in

November 2004 acknowledged that in the early years after the airport lands were expropriated in the 1970s, there was little capital or maintenance investment in the properties because an airport was thought to be imminent.

"Until the late 1980s and early 1990s, there were no strategies that addressed the longer-term maintenance of the buildings on the site," the report by Mary Louise Canning and Margaret Wells admits.

Despite a five-year renewal strategy presented in 1990, the condition of buildings deteriorated so that the annual net loss increased by about a third between fiscal years 1999-2000 and 2003-04. Pressures on the operating budget and various cutbacks resulted in maintenance being deferred, reducing the number of rentable properties, or resulting in their demolition, acknowledges a report prepared by Sypher Strategic Advisors Inc. in March 2004.

The Sypher report admits that as a result of reducing the number of rental properties, the department was losing potential revenue.

"Indeed, we were advised that approximately 70 properties are currently vacant and boarded up," the Sypher report says. "We were advised that the vacancies were due, in part, to lack of adequate funding and a moratorium on new rentals instituted by Transport Canada during the past two-and-a-half-years."

If payments to local municipalities in lieu of taxes had been recovered through rents, the government would have had a surplus rather than a loss in the 1999 to 2004 period, and this would have allowed maintenance to be carried out, keeping more rental properties on the market, the report says.

Transport Canada's policy of increasing the number of vacant buildings has also brought another cost to taxpayers – security. The cost of security represented about 12 per cent of the operating budget for the Pickering Lands in fiscal year 2003-04.

"Security is a major concern for the site from the perspective of protecting boarded-up facilities and preventing illegal dumping of materials ranging from garbage, vehicles, tires, chemicals and medical waste as well as illicit activities," the Sypher report says.

"Reduced maintenance and repair budgets may meet the immediate need of budget priorities," the report notes. "However, in the context of a real estate portfolio the long-term result will be the degradation of the portfolio and the loss of potential income properties, which are boarded up or demolished as in

the case with the PLS [Pickering Lands Site].”

“The policy of not renting out houses that become vacant makes no sense,” says Holland. “We’ve seen evidence of maintenance done to perfectly good houses that Transport Canada is refusing to rent. They are trying to depopulate our communities for political reasons, and they aren’t looking after the interests of Canadian taxpayers or local residents.”

Documents also show that the department is concerned about legal liability as a result of health impacts from mould and water quality. In recent years a mould management initiative has been in place, and some tenants are supplied with bottled water. In the spring of 2006, much of the day-to-day operation of land management was taken over by SNC Lavelin ProFac, replacing the Department of Public Works and Government Services.

Transport Canada is still illegally withholding other documents requested last July under Access to Information, and the Office of the Information Commissioner has been pressing the department to release these to Holland’s office.

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**For further information:**

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- See Mark Holland's [Pickering Lands/Airport issues page](#)
- See selected representative excerpts from the censored documents: [Part 1](#), [Part 2](#), [Part 3](#).

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