



The Corporation of the City of Courtenay

Staff Report

To: Council
From: Director of Development Services
Subject: Release of Option

File No.: 3010-01-2504
Date: June 11 2025

PURPOSE: For Council to authorize the Director of Development Services to execute the release of the Option to Purchase for a portion of land for a future road alignment on lands owned by PT Courtenay Enterprises Ltd.

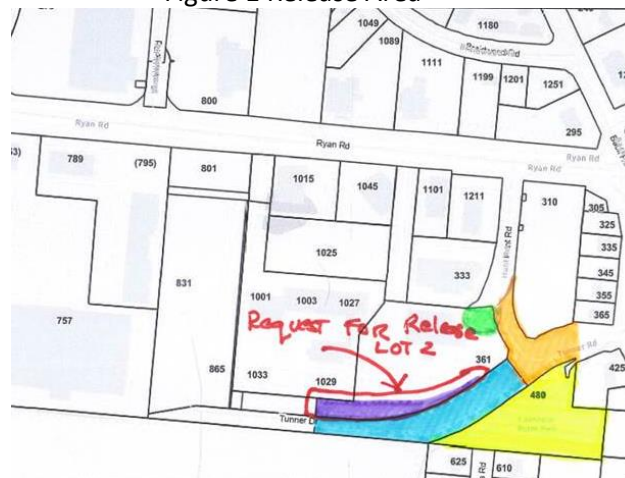
BACKGROUND:

In 2011 the city entered into this Option to Purchase agreement for land from PT Courtenay Enterprises Ltd. for a proposed road alignment for Tunner Drive should the City achieve an alignment on Comox Bay Farms land and get ALC approval (Attachment 1). There were two covenant modifications to extend the triggering event from April 24, 2022 to April 24, 2023, and then to April 24, 2024 (Attachment 2).

The triggering event was for the city to secure the extension of Tunner Drive through the Comox Bay Farm and receive necessary approvals from the Agricultural Land Commission (ALC) before April 24, 2024. The parties were engaged by the City since 2011 and due to environmental and fish habitat implications and ALC policies, the City was unable to obtain these lands for a future road alignment. In response, staff of the day worked with development interests to address vehicle and active transportation access through alternate design. The Tunner Drive road alignment was revised and staff are seeking authorization from Council to execute this release as the Option to Purchase is no longer required.

In Figure 1 Release Area, the area in purple is being released in this Option to Purchase covenant. The area in blue is the current extension of Tunner Drive as a road dedication which connects to the Broadstreet lands. The green parcel was a road closure, the orange is road dedication and yellow is land owned by city. This plan represents the current Tunner Drive alignment and construction to Hunt and Back Roads. The Option to Purchase covenant is included as Attachment 1.

Figure 1 Release Area



DISCUSSION:

As outlined above, due to challenges in securing necessary lands and ALC approvals, alternate transportation designs were required to address active transportation and public road network needs in the Tunner corridor. These infrastructure and access improvements were secured through subsequent development approvals since 2011. From a long term planning lens, the Director of Development Services met with Director of Infrastructure and Environmental Engineering to review the request for release to ensure all lands were acquired for MUP and infrastructure requirements of the City. City staff have confirmed that the purple area outlined in Figure 1 is not required. It is noted that, the language in the covenant indicates the City needed to make the request for this land prior to April 24, 2024. Given that this Option to Purchase is no longer required, Staff recommend that the covenant be discharged as a housekeeping matter.

POLICY ANALYSIS:

Tunner Drive has been constructed and is operational. Lands are owned by the city for highway use.

FINANCIAL IMPLICATIONS:

Legal costs to review the request which are included within the Development Services legal budget.

ADMINISTRATIVE IMPLICATIONS:

As outlined above, the release option report was reviewed with City Manager and Director of Infrastructure and Environmental Engineering prior to the development of this recommendation. With Council direction, the Director of Development Services will take necessary actions to release the option.

OPTIONS:

1. THAT Council authorize the Director of Development Services to execute the release for the Option to Purchase covenant FB414633 as modified by CB383353.
2. THAT Council provide alternative direction to staff.

ATTACHMENTS:

1. Covenant FB414633 original covenant
2. Covenant CB383353 last modification

Prepared by: Marianne Wade, Director of Development Services

Concurrence: Geoff Garbutt, M.Pl., MCIP, RPP, City Manager (CAO)