



The Corporation of the City of Courtenay

# Staff Report

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**To:** Council

**File No.:** 2380-30

**From:** Manager of Procurement, Risk and Real Estate

**Date:** June 11, 2025

**Subject:** Airpark Association Lease Renewal

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## **PURPOSE:**

The purpose of this report is for Council to consider renewing the lease agreement with the Courtenay Airpark Association for an additional term of 5 years.

## **BACKGROUND:**

The Courtenay Airpark Association provides Airpark management services, association member services as well as aviator visitor services for private and commercial aircraft owners. The Airpark provides 24/7 self-serve fuelling facilities, a float plane dock and dry land ramp.

The Courtenay Airpark Association operates an Airpark pilots lounge and rents 40 hangar spaces on an annual rental basis to members of the association for aircraft storage and non-commercial activities. Additional services to the community and aviators include flight training services, sightseeing and medevac aircraft landing/take-off.

On August 17, 2020 staff presented a report to Council proposing lease amendments. After consideration of the report and staff recommendations, Council adopted the following resolution:

*“That Council postpone a decision on the main motion (OPTION 1) of the August 17<sup>th</sup>, 2020 staff report “Lease Agreement Amendment for Courtenay Airpark” until a future Council meeting as determined by staff: and that this item be referred back to staff to allow for a report that provides additional information about the environmental and insurance issues raised during discussion at the August 17<sup>th</sup>, 2020 regular Council meeting.”*

As referenced in the August 17<sup>th</sup>, 2020 resolution, Council raised a variety of concerns in regard to environmental regulation, monitoring and oversight. Additionally, Council inquired about the insurance limits and requested staff review insurance requirements to ensure appropriate coverage. The Airpark Association has conducted the work as outlined in the lease. The original baseline environmental assessment and the most recent recurring environmental assessment are attached to this report as Attachment 1 and Attachment 2, respectively.

On December 21, 2020 Council adopted the following resolution:

*That based on the December 21, 2020 staff report “Lease Agreement Amendments for Courtenay Airpark”, Council approve OPTION 1 and authorise the attached lease agreement between the Courtenay Airpark Association and the City of Courtenay for the property having a legal description of:*

- PID: 000-892-149, Lot 1, Section 66, Comox District, Plan 14942 except any portion of the bed of the Courtenay River;
- PID: 000-892-068, Lot A, Section 66 and 67, Comox District, Plan 14521 except any portion of the bed of the Courtenay River;
- PID: 004-154-664, Lot 1, Section 68, Comox District, Plan 15512;
- Licence of Occupation, Crown License No. V933091 (Floatplane Ramp)
- Lease Area A Plan EPP99020 (Floatplane Dock); and,

*That staff provide public notice to satisfy the statutory advertising requirements for the provision of assistance and disposition of City lands as per Section 24 of the Community Charter; and,*

*That the Mayor and Corporate Officer be authorized to execute all documentation relating to the extended terms and renewal of the Lease Agreement.*

A copy of the lease is included with this report as Attachment 3.

Information Regarding Commercial Hangar Leases

Four commercial hangars are located within the Airpark grounds, all of which have individual leases (separate from the Airpark Association). Tenants of these hangars are not required to be members of the Airpark Association. The information in the table below concerns these four commercial hangars. This is provided for information only, and further discussion and action on these hangars will be presented to Council in the future.

HANGAR	1 / A	2 / B	3 / C	4 / D
LAND SIZE	725 m2	1,270 m2	1,400 m2	961 m2
CURRENT TERM	Expired as of Dec 31, 2024	Jan 1, 2021 to Dec 31, 2025	Jan 1, 2021 to Dec 31, 2025	Jan 1, 2021 to Dec 31, 2025
RENEWAL	Nil	Option to renew on Jan 1, 2026 with Council approval	Option to renew on January 1, 2026 with Council approval	Option to renew on Jan 1, 2026 with Council approval
TERMS REMAINING	Nil	Additional 3 terms of 5 years	Additional 3 terms of 5 years	Additional 3 terms of 5 years
2025 RENT INCOME	Nil	\$4,628.49	\$5,070.25	\$3,502.35

The layout of the Airpark Association lands and the individual hangars are as follows:



**DISCUSSION:**

The Courtenay Airpark Association has committed to leasing the Airpark for a minimum of five years with a renewal clause offering three additional five-year terms, subject to City approvals. The initial lease term commenced on January 1, 2021 and is terminating on December 31, 2025. The first renewal term, subject to Council approval, is for an additional period of five years commencing on January 1, 2026 and terminating on December 31, 2030. There are currently two additional five-year terms, subject to Council approvals, remaining.

The Airpark rent to be paid to the City by the Courtenay Airpark Association will be \$1.00 per year plus 50% of the aircraft hangar fees levied for parking private aircraft in the 40 hangar locations. Based on rental fees of \$608.00 per hangar (this represents a 2.5% increase over 2025 fees) in year one and a CPI annual increase in subsequent years, the total annual income to the City for 40 aircraft hangar locations is expected to be as follows:

Courtenay Airpark Association Estimated Annual City Income – Aircraft Hangar Fees	
2026	\$12,160
2027	\$12,464
2028	\$12,775
2029	\$13,094
2030	\$13,421

Requests from the Airpark Association

On March 6, 2025, the Airpark Association formally submitted a written request to renew the lease with the City. The Airpark Association submitted the following requests – where amendments or additions have been recommended by City staff, the section in the original Lease is referenced:

REQUEST	DETAILS OF REQUEST	RECOMMENDED	SECTION
To renew for a term of 15 or 20 years with Airpark Association right to renew every 5 years.	The extended term would allow for better investment incentive for new aviation-oriented organizations.	<b>No</b>  Consider after Local Area Plan is complete	N/A
To amend the payment and financial document due date for Airpark parking fees to February 15 <sup>th</sup> of every year (for the year prior) from December 31 <sup>st</sup> .	The financial statements for the Airpark Association are normally finalized a few weeks ahead of the Airpark’s Annual General Meeting (AGM), which normally held on the last Sunday of February.	<b>Yes</b>	4(d)  4(f)
To add the annual Permissive Property Tax Exemption to the terms of the Renewal Lease.	Their volunteer not-for-profit organizational status in the City of Courtenay has routinely allowed them to qualify for it annually,	<b>No</b>  Process to remain separate	N/A
To see if the City can assist with removing obstructions outside the Airpark perimeter when necessary.	Required for environmental, bird, and wildlife protections in the areas immediately adjacent to the Airpark, according to Transport Canada regulations.	<b>No</b>  The Association must apply for a permit.	N/A
City to provide snow removal services for main access gate to the air ambulance pad.	In 2023 the Airpark Association installed an Emergency and air ambulance helicopter pad providing a safe environment for transferring patients to and from air ambulance helicopters.	<b>No</b>  Concerns regarding risk and liability.	N/A
To make it mandatory for all Airpark Hangar tenants to be members of the Airpark Association.	Tenants of the Hangars access the grounds and use the facilities daily and are not currently required to pay Association fees.	<b>Yes</b>  Will be added to Hangar Leases as they come up for renewal.	N/A

City staff have discussed the requests and City responses with the airpark association prior to the writing of this report. Based on these discussions, staff have drafted a renewal lease included as Attachment 4 for Council consideration.

**POLICY ANALYSIS:**

The lease revenue is less than market value due to the rental fee formula, therefore Council must provide notice pursuant to section 24 of the Community Charter:

Publication of intention to provide certain kinds of assistance

24 (1) A council must give notice in accordance with section 94 [public notice] of its intention to provide any of the following forms of assistance to a person or organization:

- (a) disposing of land or improvements, or any interest or right in or with respect to them, for less than market value.

Area-Specific Profiles and Planning Direction Policies from the OCP

The Official Community Plan acknowledges the Courtenay Airpark serves an important role to the City and community plan policies support limited expansion of airport oriented commercial uses subject to Council approval. The Airpark portion of the lands are within the floodplain and future uses must be carefully considered. A precinct concept is envisioned in order that the wider area will continue to be a key destination for residents and visitors to experience and enjoy the public amenities and natural environment, while carefully accommodating new adjacent development where safe to do so. The applicable OCP policies are as follows:

1. Initiate a process to develop a local area plan for the precinct in order to ensure the area continues to be a key destination for residents and visitors to experience and enjoy while providing clarity of land use goals for the publicly owned lands as well as direction to the development of privately-owned lands.
2. Support expanded recreational use of the marina including rowing facilities. Work with the Airpark Association as well as the wider public to develop the local area plan.
3. In advance of a local area plan, any new developments in the vicinity must pay careful attention to the safety of the airport operation as well as impacts on traffic, view of the mountains, and trails.
4. Work with the Airpark Association to assist them in obtaining a Temporary Use Permit (TUP) in order to address the current land use regulations on public land.

**FINANCIAL IMPLICATIONS:**

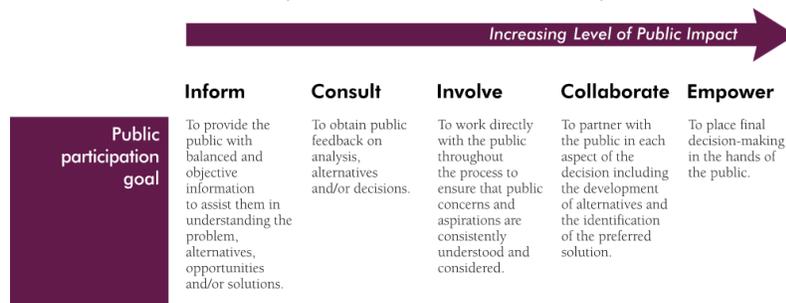
There are no additional financial resources required. Estimated lease revenue identified above in the discussion.

**ADMINISTRATIVE IMPLICATIONS:**

The Financial Services department is leading the lease renewal work with the Air Park Association. Development Services will lead the local area plan, as referenced in the Official Community Plan.

**PUBLIC ENGAGEMENT:**

Staff would inform the public based on the IAP2 Spectrum of Public Participation.



**OPTIONS:**

1. THAT based on the June 11, 2025 staff report titled “Airpark Association Lease Renewal”, subsequent to the publication of a notice, Council authorize the renewal lease between the City of Courtenay and the Courtenay Airpark Association for the property having a legal description of:

-PID: 000-892-149, Lot 1, Section 66, Comox District, Plan 14942, except any portion of the bed of the Courtenay River;

-PID: 000-892-068, Lot A, Sections 66 and 67, Comox District, Plan 14521, except any portion of the bed of the Courtenay River;

-PID: 004-154-665, Lot 1, Section 68, Comox District, Plan 15512;

-Licence of Occupation, Crown License No. V933091 (Floatplane Ramp);

-Lease Area A Plan EPP99020 (Floatplane Dock);

THAT staff provide public notice to satisfy the statutory advertising requirements for the provision of assistance and disposition of City lands as per Section 24 of the Community Charter; and

THAT the Mayor and Director of Financial Services be authorized to execute all documentation relating to the lease.

THAT following the completion of the Local Area Plan for the Courtenay Airpark Precinct, staff be directed to report back to Council with an analysis of any implications for the Airpark Association lease.

2. THAT Council deny the lease request and provide notice to terminate under the current terms and conditions.
3. THAT Council refer this item back to staff for further consideration.

**ATTACHMENTS:**

1. Baseline Environmental Investigation Report
2. Recurrent Investigation Report
3. Expiring Lease Agreement
4. Renewal Lease

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