



The Corporation of the City of Courtenay

# Staff Report

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**To:** Council

**File No.:** 2380-20

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

**Date:** October 15, 2025

**Subject:** Heritage House Pub LOO and Airpark Café Renewal Lease

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## **PURPOSE:**

For Council to consider:

- authorizing a Licence of Occupation with the Heritage House Pub for a parcel of land located next to the property address of 975 Comox Road; and
- authorizing a renewal lease for D's Place (Airpark Café), utilizing the property legally described as PID: 004-154-665, Lot 1, Plan VIP15512, Section 68, Comox Land District.

## **BACKGROUND:**

### Heritage House Pub

Staff recently became aware of the historic use of city property as a parking lot for an adjacent restaurant. The city-owned portion of the parking lot abuts Comox Avenue and has provided parking spaces for the adjacent commercial property at 975 Comox Avenue for many years. Staff have reviewed historic records for this property and have not been able to locate any related documentation for using the property. With a new business and owner, the City seeks to mitigate potential risks via a Licence of Occupation (LOO).

## **DISCUSSION:**

### Heritage House Pub

In order to mitigate any potential risks to the city and property owner, the proposed LOO has been drafted to accommodate for the required on-site parking at 975 Comox Road. The City maintains ownership of the area and it's designated as a "road" due to its access and proximity to the river. The rentable area of land is approximately 3,896.86 square feet. Staff are recommending an annual rent of \$1,045.34 per year with a rental increase of 2% annually thereafter. The Agreement would be retroactive to May 1, 2025.

## **BACKGROUND:**

### D's Place

The Marina Building is located steps away from the Courtenay Marina and provides the only city-owned public washroom facility along the Courtenay Riverway trail, other than the portable washroom located adjacent to the Rotary Sky Park.

A 580 square foot section of the interior Marina Building, including the exterior deck, has been leased by the City since 2002, as shown in Figure 1 below. The lease was transferred to a new owner in 2022. The current lease expired in 2023 and has been on a monthly holdover since then. The tenant has submitted a written request to renew the lease for an additional five-year term, in accordance with the lease's terms.

Figure 1: Marina Building – D's Place



**DISCUSSION:**

D's Place

The proposed renewal lease will be for a term of five years with no further options for renewal. The fair market rent for a comparable-sized space is up to \$20 per square foot (psf). The tenant has requested that the City remove the obligation to keep the public restroom clean and maintained due to increased problems from the public during non-business operating hours. Staff reviewed this internally with the department responsible for public washroom cleaning and determined it was both reasonable and warranted for the City to take over responsibility for cleaning the public washroom. The proposed lease rate of \$24.26 psf includes consideration for the tenants portion of the management and maintenance of the washroom.

**POLICY ANALYSIS:**

Section 26 of the *Community Charter* for municipalities requires that notice be given before a disposition of land through a lease, such as the renewal proposed for the D's Place. Should Council wish to proceed with the renewal lease, a notice of disposition will be required. This requirement will be actioned for the D's Place renewal.

**FINANCIAL IMPLICATIONS:**

Heritage House Pub

Should Council approve the LOO, the annual fee for 2025 will be \$1,045.34 with a two percent annual increase.

D's Place

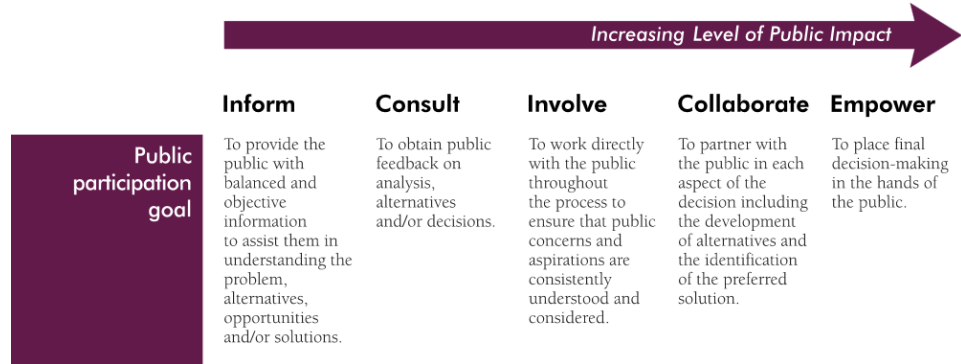
Should Council approve the lease, the annual base rent for 2025 will be \$24.26 per square foot, or \$14,070.37 per year. D’s Place also pays \$1,228.57 in property taxes (based on 2025 Property Taxes).

**ADMINISTRATIVE IMPLICATIONS:**

The lease will be administered through the Financial Services Department.

**PUBLIC ENGAGEMENT:**

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



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**OPTIONS:**

**TO BE MADE AS SEPARATE RESOLUTIONS**

Heritage House Pub

1. THAT based on the October 15, 2025 staff report titled “Heritage House Pub LOO and Airpark Café Renewal Lease” Council authorize a Licence of Occupation for an initial term of five years, with the possibility for three additional renewal terms of five years each, subject to approval by the municipal Council of the City for the property having a legal description of PID 025-210-858, ROAD BESIDE LOT 1, PLAN VIP73036, DISTRICT LOT 252, SECTION 14, COMOX LAND DISTRICT, & DL 2028;

AND THAT Council delegate authority to the Chief Financial Officer to execute the license of occupation on behalf of the City.

2. THAT Council provide alternative direction to staff.

D’s Place

1. THAT based on the October 15, 2025 staff report titled “Heritage House Pub LOO and Airpark Café Renewal Lease”, subsequent to the publication of a notice, Council authorize the renewal lease between the City of Courtenay and D’s Place for the property having a legal description of a portion of portion of Lot 1, Plan 15512, Land District 15, Section 68, Comox District with a civic address of 102A-20<sup>th</sup> Street, Courtenay, BC .

AND THAT Council delegate authority to the Chief Financial Officer to execute the lease on behalf

of the City.

2. THAT Council provide alternative direction to staff.

**ATTACHMENTS:**

1. LOO for Heritage House Pub
2. Lease for D's Place – 2040 Cliffe Avenue

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