



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 2380-20

From: Manager of Procurement, Risk and Real Estate

Date: January 14, 2026

Subject: Lease Renewals - Courtenay Airpark – Leased Lots 2-4 (Commercial Hangars)

PURPOSE:

For Council to consider renewing 3 leases located at the Courtenay Airpark, addressed 100 20th Street, legally described as PID: 000-892-149, LOT 1, PLAN VIP14942, SECTION 66, COMOX LAND DISTRICT including:

- LEASED LOT 2 COURTENAY AIR PARK AS SHOWN ON VIP64872,
- LEASED LOT 3 COURTENAY AIR PARK AS SHOWN ON VIP64872,
- LEASED LOT 4 COURTENAY AIR PARK AS SHOWN ON VIP64872.

BACKGROUND:

Lease Lot 2 – Duane John Dubyk

Duane John Dubyk signed a lease with the City for a term of 5 years commencing on January 1, 2021 and terminating on December 31, 2025. Mr. Dubyk is the current owner of the hangar located on lease lot 2 at the Courtenay Airpark. Mr. Dubyk stores an aircraft and periodically performs mechanical repairs on it. No further business or sub-lease is being undertaken at this time.

Leased Lot 3 – TPC The Property Centre Inc.

North Bend Ventures Ltd. signed a lease with the City for a term of 5 years commencing on January 1, 2021 and terminating on December 31, 2025. On July 16, 2021, the City received a letter from North Bend Ventures Inc. requesting an assignment of the lease to TPC The Property Centre Inc., effective September 15, 2021. TPC The Property Centre Inc. is the current owner of the hangar located on lot 3 at the Courtenay Airpark. TPC The Property Centre Inc. uses the hangar for the storage of personal aircraft and equipment. No further business or sub-lease is being undertaken at this time.

Leased Lot 4 – Sealand Flight Inc.

Andreas Ruttkiewicz dba: Airspeed High Ultralights signed a lease with the City for a term of 5 years commencing on January 1, 2021 and terminating on December 31, 2025. On November 7th, 2021, the City received a letter from Andreas Ruttkiewicz dba: Airspeed High Ultralights requesting an assignment of the lease to Sealand Flight Inc., effective December 1, 2021. Sealand Flight Inc. is the current owner of the office building located on lot 4 at the Courtenay Airpark. Sealand Flight Inc. uses the office building for flight training, aircraft rentals, and sightseeing services.

DISCUSSION:

Lease Lot 2 – Duane John Dubyk

Mr. Dubyk is requesting to renew the lease for another 5 years. If approved by City Council, the first renewal term will be for a period of 5 years commencing on January 1, 2026 and terminating on December 31, 2030. Executing a first renewal, as provided in the original lease, will leave 2 additional terms of 5 years remaining, each subject to Council approval.

In November 2025 a Fair Market Rental Appraisal was conducted by Cunningham & Rivard Appraisals Ltd. the Courtenay Airpark Lands located at 100 – 20th Street. Based on their research and analysis report, the fair market rental for lot 2 should be a minimum of \$5.00 per square meter. The current market rental estimates are based on existing zoning and land-use controls, as well as the use restriction contained in the lease document.

The annual rent payable by Mr. Dubyk will increase by 4.5 percent each year of the lease, consistent with the annual rate escalation applied under the original Lot 2 lease agreement and as summarized in Table 1.

Table 1 – Annual Lease Rent (Dubyk)

Lease Lot 2 - Annual Lease Rent		
2026	\$6,350.00 + gst	4.5%
2027	\$6,635.75 + gst	4.5%
2028	\$6,934.36 + gst	4.5%
2029	\$7,246.40 + gst	4.5%
2030	\$7,572.49 + gst	4.5%

Leased Lot 3 – TPC The Property Centre Inc.

TPC The Property Centre Inc. is requesting to renew its lease for another 5 years. If approved by City Council, the first renewal term will be for 5 years, commencing on January 1, 2026, and terminating on December 31, 2030. Executing a first renewal, as provided in the original lease, will leave two additional 5-year terms remaining, each subject to Council approval.

In November 2025, a Fair Market Rental Appraisal was conducted for the Courtenay Airpark Lands located at 100 – 20th Street. Based on their research and analysis report, the fair market rental for Lot 3 should be a minimum of \$5.00 per square meter. The current market rental estimates are based on existing zoning and land-use controls, as well as the use restriction contained in the lease document.

The annual rent payable by TPC The Property Centre Inc. will escalate by 4.5 percent annually for the duration of the lease, continuing the same rate increase established under the original Lot 3 lease agreement and summarized in Table 2.

Table 2 – Annual Lease Rent (TPC)

Lease Lot 3 - Annual Lease Rent		
2026	\$7,000.00 + gst	4.5%
2027	\$7,315.00 + gst	4.5%
2028	\$7,644.18 + gst	4.5%
2029	\$7,988.16 + gst	4.5%
2030	\$8,347.63 + gst	4.5%

Leased Lot 4 – Sealand Flight Inc.

Sealand Flight Inc. is requesting to renew its lease for another 5 years. If approved by City Council, the first renewal term will be for 5 years, commencing on January 1, 2026, and terminating on December 31, 2030. Executing a first renewal, as provided in the original lease, will leave two additional 5-year terms remaining, each subject to City approval.

In November 2025, a Fair Market Rental Appraisal was conducted for the Courtenay Airpark Lands located at 100 – 20th Street. Based on their research and analysis, the fair market rental for Lot 4 should be at least \$5.00 per square meter. The current market rental estimates are based on existing zoning and land-use controls, as well as the use restriction contained in the lease document.

The annual rent payable by Sealand Flight Inc. will escalate by 4.5 percent annually for the duration of the lease, continuing the rate structure established under the previous Lot 4 lease agreement as summarized in Table 3.

Table 3 – Annual Lease Rent (Sealand)

Lease Lot 4 - Annual Lease Rent		
2026	\$4,805.00 + gst	4.5%
2027	\$5,021.23 + gst	4.5%
2028	\$5,247.18 + gst	4.5%
2029	\$5,483.30 + gst	4.5%
2030	\$5,730.05 + gst	4.5%

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 this. In December 2025, staff issued notice of dispositions for all three lots. No public feedback was received.

FINANCIAL IMPLICATIONS:

No additional financial resources are required. Not renewing these leases would result in the City forfeiting approximately \$42,673 in annual revenue from lease payments, taxes, and utilities.

ADMINISTRATIVE IMPLICATIONS:

The Financial Services department has been leading this work.

OPTIONS:

OPTION 1: THAT based on the January 14, 2026 staff report “**Lease Renewals - Courtenay Airpark – Leased Lots 2-4 (Commercial Hangars)**”, Council approve OPTION 1 and authorize lease renewals for the properties having a legal description of PID: 000-892-149, LOT 1, PLAN VIP14942, SECTION 66, COMOX LAND DISTRICT;

LEASED LOT 2 COURTENAY AIR PARK AS SHOWN ON VIP64872,
LEASED LOT 3 COURTENAY AIR PARK AS SHOWN ON VIP64872,
LEASED LOT 4 COURTENAY AIR PARK AS SHOWN ON VIP64872, and

THAT Council delegate authority to the Chief Financial Officer to execute all documentation necessary to complete the lease renewals and related documents. (Recommended)

OPTION 2: THAT Council deny the lease renewal requests.

OPTION 3: THAT Council refer this item back to staff for further consideration.

ATTACHMENTS:

1. 2025 Appraisal

Prepared by: Maris Russell, Real Estate Technician
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Reviewed by: Adam Langenmaier, BBA, CPA, CA, Director of Financial Services
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