



REQUEST FOR DECISION

SUBJECT:	Grande Cache Airport Closure History, Liability and Future Use		
SUBMISSION TO:	REGULAR COUNCIL MEETING	REVIEWED AND APPROVED FOR SUBMISSION	
MEETING DATE:	April 22, 2025	CAO:	MANAGER:
DEPARTMENT:	PLANNING & EC. DEVELOPMENT	DIR: MAV	PRESENTER: MAV
STRATEGIC PLAN:	Economy	LEG: SS	

RELEVANT LEGISLATION:

Provincial (cite) –N/A

Council Bylaw/Policy (cite) – N/A

RECOMMENDED ACTION:

MOTION: That Council direct Administration to terminate the existing month-to-month hangar leases with a 30-day vacancy notice and negotiate a staged removal of assets in a collaborative approach with each of the hangar leaseholders.

BACKGROUND/PROPOSAL:

A history of this facility has been provided for Council's background knowledge around the development and eventual closure of this facility. Increased risk of contamination, potential liability for continuing use, non-payment of rents, and operational losses are impacts being faced by the Municipal District of Greenview No. 16 (Greenview) in relation to this site. Direction is being sought from Council in order to continue with efforts which will resolve ongoing issues at the closed Grande Cache Airport facility.

Greenview owned assets, private hangars and a provincial fire base are located at the previous Grande Cache Airport (YGC / CEQ5 – Closed December 31, 2015). This land has been under the care, control and ownership of Greenview since the dissolution of the Town of Grande Cache (Town). This site is 78.9ha (195ac) in area, was developed over 45 years ago, is still used on a 5-year lease for a provincial fire base and had minor leased commercial development (4 hangars) occur between 2001 and 2007. Greenview has been requested by the Province, Town and private residents to take over operations and repair of these facilities a number of times over the past 20 years; all of which were rejected by Greenview Council after assessing financial implications and service levels.

The Town's initial decision for closure was made in 2013. To honour private hangar leaseholders' interests, the Town Council decided on March 26, 2014, to extend the operation of the airport until the expiry of the leases on December 31, 2015. In January of 2016, private commercial tenants sought the donation of the facility and land to a non-profit. However, this decision was upheld by elected officials of the day. The cost of repairs to the facility were estimated at approximately \$9M in 2009; these costs are anticipated to have grown significantly due to inflation and further facility degradation. A proposal by a private group to reduce the level of service on the runway and gift them the land following partial repairs still had the impact of increasing the Town's taxation by more than 10%. Accordingly, this proposal was also rejected at the beginning of 2016.

Hangar leaseholder interests for access and storage on the property have continued under a month-to-month agreement since early 2016; no increase in rental fees have occurred since 2015. Excluding the fire base, these rents would total less than \$5,000 annually, if actually paid. Currently, outstanding rents and taxes sit at over \$50,000. Administration has been seeking to address remediation of this site, removal of hazards, determine Asset Retirement Obligations (ARO), and find a publicly beneficial alternative use to the closed airport and airstrip, while maintaining the terms of the fire base lease (expiring in 2027). Costs to date include the removal and remediation of the previous airport caretakers home and minimal vegetation management. The ongoing private use of these public lands for a purpose which is no longer authorized, nor following federal expectations for an aeronautical facility, creates ongoing and growing liability for public ratepayers. As this is no longer an operating airport, this appears to be the private use of public land for personal enrichment which contributes to growing public liability from potential contamination due to the continuation of these hangar leases. Although the status of the airport is a closed matter, the continued use of Greenview's assets for commercial or private interests is still required to be addressed.

Administration believes the continuation of the leases are not in the public interest, nor are hangar leaseholders acting in accordance with prior agreements. In forming this recommendation, Administration considered the following:

- One hangar on site has refused to pay any lease fees since Greenview acquired the facility, resulting in **over \$50,000 outstanding**. The reasonable enforcement of this nonpayment is the termination of the lease. Several lease holders have outstanding tax accounts.
- One hangar is being sublet, violating the terms of the original 2010-2015 lease. Further, evidence suggests the sublet hangar may also be utilized for living accommodations which violates other legislation.
- Another hangar appears to continue to be used as a commercial helicopter operation with storage of many fuel drums across the property.
- Contamination is an issue which has been seen to cost public entities significant funds when seeking to retire assets. The exposed fuel drums, the bulk fuelling station on another site, and the installation of heating propane at another hangar creates ongoing risk of further environmental contamination.
- Several of the tax accounts associated with these structures are delinquent.
- Greenview has the only active power service for this site and pays for all power delivered to buildings not associated with the firebase. However, all hangars at this location appear to be drawing power at a cost averaging \$1,300 per month.

BENEFITS OF THE RECOMMENDED ACTION:

1. The benefit of Council accepting the recommended motion is Greenview will be acting to limit further contamination at a closed Greenview facility.
2. The benefit of Council accepting the recommended motion is Greenview will be able to act on security issues associated with the unregulated use of this facility.
3. The benefit of Council accepting the recommended motion is Greenview will close out leasehold-related obligations which will allow for the remediation or repurposing of facilities remaining onsite.
4. The benefit of Council accepting the recommended motion is Greenview will be addressing a significant fire risk caused by an unsecured site being littered with aviation grade fuels and containers.

DISADVANTAGES OF THE RECOMMENDED ACTION:

1. The disadvantage of the recommended action is the existing month-to-month hangar leaseholds will be disrupted by the termination of their lease.

ALTERNATIVES CONSIDERED:

Alternative #1: Council could choose to do nothing and allow this situation to continue. This option is not recommended as it compounds growing financial losses due to contamination of the site and power usage. It may appear negligent as it is a closed airport, yet we are aware of continued private commercial airport use on our property. It does nothing to prepare the site for some future beneficial use as it leaves unregulated access and debris on the site.

ALTERNATIVE MOTION: That Council directs Administration to take no action at this time with regards to the existing month-to-month hangar leases located at the closed Grande Cache Airport Terminal area.

Alternative #2: Council could choose to offer a buy-out of the structures at the tax assessed value (approximately \$185,000) in order to acquire the leaseholder interests onsite and continue to utilize these buildings for municipal purposes. This is not recommended as there is limited remaining value in these facilities. Additionally, there has not been an assessment of integrity or other repairs required. Further, Greenview has been trying to limit rather than expand its operational costs on this site. Lastly, there would be a future cost for the removal of these structures when this asset is retired, and the leaseholders may dispute their value.

ALTERNATIVE MOTION: That Council directs Administration to terminate the existing month-to-month hangar leases with a 30-day vacancy from the property and negotiate a buy-out at the assessed value or the near-term removal of the existing hangars with the leaseholders.

FINANCIAL IMPLICATION:**Ongoing / Future Costs:**

Annual rents for this site would be reduced by \$4,867/year; the Fire Base lease would continue. A savings on power (estimated at 50%) would offset this with a potential savings of \$7,500, providing an approximate net benefit of \$2,633 annually. It should be noted that rents have not increased since 2015.

STAFFING IMPLICATION:

There are no staffing implications to the recommendation.

PUBLIC ENGAGEMENT LEVEL:

Greenview has adopted the IAP2 Framework for public consultation.

INCREASING LEVEL OF PUBLIC IMPACT

Inform

PUBLIC PARTICIPATION GOAL

Inform - To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.

PROMISE TO THE PUBLIC

Inform - We will keep you informed.

FOLLOW UP ACTIONS:

Once Council decides, Administration will send notice letters and begin the processes of having tenancy, chemicals, equipment and potentially buildings removed by the leaseholders. It is possible hangar structures could remain, however the details of such would need to be assessed and brought forward if there are financial implications associated with such an asset.

ATTACHMENT(S):

- Closed Airport Site Map of Hangars
- History of Grande Cache Airport prior to closure
- Grande Cache Motion for closure
- Meeting with Hangar Leaseholders minutes
- Grande Cache Report on Closure /Request for Transfer of Airport 2016.