



Cold Lake Regional Aerodrome Lease Policy

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1.0 Policy Intent

The City of Cold Lake is committed to operate the Cold Lake Regional Aerodrome for the use and benefit of the public and for the Cold Lake Regional Aerodrome to be made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination, while maintaining a fee and rental structure for the facilities and services at the Cold Lake Regional Aerodrome which will make the aerodrome as self-sustaining as possible under the circumstances existing at the Cold Lake Regional Aerodrome.

2.0 Purpose

The purpose of the Cold Lake Regional Aerodrome Lease Policy is to:

- 2.1 Ensure all lease holders are treated equally and subject to the same terms and conditions.
- 2.2 Establish Leasing Authority
- 2.3 Ensure the lease agreement process is managed in a consistent, orderly and efficient manner.
- 2.4 Establish equitable, not unreasonably discriminatory guidelines for leasing aerodrome property
- 2.5 Establish standardized leases, permits and agreements
- 2.6 Ensure the interests of the leaseholder(s) and the landlord (City) are protected.
- 2.7 For all purposes of administering or enforcing the provisions of authority of this Policy, the Council delegates their authority to the Chief Administrative Officer who may delegate to one or more employees of the City of Cold Lake.

3.0 Policy Statement

- 3.1 This policy seeks to establish and formalize the Cold Lake Regional Aerodrome lease agreement process to ensure that consistent practices are maintained.

4.0 **Managerial Guidelines**

4.1 **Definitions:**

- 4.1.1 **“Aerodrome/Airport”** means City of Cold Lake Regional Aerodrome
- 4.1.2 **“Airport Authority/ Manager”** means an entity designated by the Chief Administrative Officer as delegated by the City who is charged with the operation and oversight of the Cold Lake Regional Aerodrome
- 4.1.3 **“Airport Standards”** means a document adopted and formally approved by the City which details provisions defining the minimum standards accepted by the City for entities wanting to conduct commercial or non-commercial operations or activities on the Cold Lake Regional Aerodrome.
- 4.1.4 **“Applicant”** means a person who makes a formal application
- 4.1.5 **“City”** means City of Cold Lake, and the City shall be represented by the Chief Administrative Officer or as otherwise designated by the City.
- 4.1.6 **“Commercial Activities”** means any activity conducted by an individual to provide goods or services for compensation.
- 4.1.7 **“Commercial Lease”** is a type of lease designed to be used when leasing property primarily used for a business that provides goods and services for compensation.
- 4.1.8 **“Fixed Base Operator”** means a commercial business granted the right by the City to operate on the Cold Lake Regional Aerodrome and provide aeronautical services such as hangaring, tie-down and parking, aircraft rental, aircraft maintenance, flight instruction etc.
- 4.1.9 **“Improvements”** means all the buildings, structures and facilities including fencing, signs and landscaping constructed or placed on, under or above any leased area by or with the consent of the lessee. All plans and specifications for all improvements must be approved by the City.
- 4.1.10 **“Itinerant Aircraft”** also Transient Aircraft, means any aircraft not “home based” at the Cold Lake Regional Aerodrome. Itinerant Aircraft that are “home based” elsewhere may park or hangar at the Cold Lake Regional Aerodrome for short periods of time.
- 4.1.11 **“Land Lease”** means the entirety or portion of a ground area that is under a lease by the City to one or more entities, which may include all or parts of buildings, improvements and fixed and removable structures.

- 4.1.12 **“Leased Tie Downs”** means an area of the Cold Lake Regional Aerodrome designated for aircraft tie down that is maintained by the City and is leased to a lessee for a period of a month or longer.
- 4.1.13 **“Lessee” or “Leaseholder”** means any person, firm, general or limited partnership, corporation, company, organization, trust or association leasing or using any land or facility at the Cold Lake Regional Aerodrome.
- 4.1.14 **“Non -Commercial Activities”** means any activity conducted by an individual for its own benefit and not for the benefit of the public or for hire.
- 4.1.15 **“Non-Commercial Lease”** also including Private Use, means any lease that does not involve the providing of goods or services for compensation. This includes the lawful use and maintenance of an aircraft by its registered owner(s).
- 4.1.16 **“Non- Leased Tie Downs”** means an area of the Cold Lake Regional Aerodrome designated for aircraft tie downs that is maintained by the City and is leased to a lessee for a period of less than a month.
- 4.1.17 **“Notice to Air Men” (NOTAM)** means Notice to Air Men, containing information about the changes to the facilities, services, procedures, hazards etc. and of which timely knowledge is essential to personnel concerned with flight operations.
- 4.1.18 **“Subtenant/ Occupant” (Shared Expense or Commercial)** means with specific permission from the City, a subordinate lease is granted by the lessee to another person for specific use of all or part of the leased area as defined in the original lease.
- 4.1.19 **“Room Rental Lease/ Agreement”** means a lease/agreement outlining the terms and conditions whereby the lessee pays a certain amount of rent in exchange for the use of the property.

4.2 Authority to Lease

All leases and subleases require the approval of the City of Cold Lake. The City must also approve all amendments to such leases. The City has in the public interest, the right to:

- 4.2.1 Impose and update from time to time fair and reasonable operating requirements and standards for commercial and non-commercial activities that are conducted on the Cold Lake Regional Aerodrome property;

- 4.2.2 Impose and adjust from time to time fair and reasonable fees, rents, or other charges, for the privilege of conducting commercial and non-commercial activities upon the Cold Lake Regional Aerodrome property, the proceeds of which are made to pay for operating, maintenance and development expenses of the Cold Lake Regional Aerodrome. The rates and fees charged by the Cold Lake Regional Aerodrome are meant to be structured to make the Cold Lake Regional Aerodrome as self-sustaining as possible, while ensuring fair and reasonable rates.

4.3 Eligibility

- 4.3.1 To be eligible to apply for a **Land Lease or Tie Down Lease** or for placement on the Waiting List, the applicant must provide the intended aircrafts' registration or the ability to produce the registration within the fifteen (15) business day period allotted by the City for the applicant to accept or reject an offer. Only aircraft are authorized to be stored in the hangars. The City may consider applicants building an aircraft or purchasing an aircraft as eligible if it is within a timeframe acceptable to the City.
- 4.3.2 To be eligible to apply for a monthly Room Rental Lease/ Agreement of for placement on the Waiting List, the applicant must provide the intended use of the room, the length of time required to occupy the room and a business license or ability to produce one within fifteen (15) business day period allotted by the City to accept or reject an offer.
- 4.3.3 The meeting rooms can be used for various activities and events and are available to the public on a year-round basis when dates are available.
- 4.3.3.1 Meeting room bookings are on a first come first serve basis with the City of Cold Lake having priority for City Events. If there are multiple groups attempting to book on the same day, the priority list is as follows:
- i. City of Cold Lake
 - ii. Airport Events
 - iii. Multi Day Special Events
 - iv. Group Bookings
 - v. Airport Lease Holders
 - vi. Local/ Non Profit
 - vii. Other
- 4.3.3.2 Payment in full is required at the time of application

4.4 Background Check

The City may, at its option, do a credit check or any other type of background check on a leasehold applicant.

4.5 Lease Requests

The Cold Lake Regional Aerodrome property is generally leased on a first come first serve basis unless the Waiting List Procedure is being utilized due to the high volume of demand and lack of available space.

Potential tenants shall submit a fully completed Lease/**Agreement** Application form to the City with such additional information as may be required for the review by the City.

Applications will be reviewed based on the parameters included in the leasing policy.

4.6 Waiting List Procedure

4.6.1 The Waiting List

The Waiting List will be maintained by the City. The applicant shall not be added to the Waiting List until the Waiting List application form is completed in its entirety and the deposit is received. It is the responsibility of the applicant to update their contact information with the Airport Manager or designate, should any changes occur. Applicants will be added to the waiting list based on the order the waiting list application form and deposit are received by the City with the following exception:

4.6.1.1 Current tenants who want to transfer or switch tie down or land lease areas, that are in good financial standing, have completed the waiting list application form, and have submitted the required deposit shall move to the top of the waiting list;

4.6.1.2 Current tenants interested in leasing a vacant adjoining parcel to their current leased area will be given first opportunity to lease the adjoining parcel provided they are in good financial standing, have completed the waiting list application form, and have submitted the required deposit. Under certain circumstances i.e. multiple parties interested in a single piece of property, the City may use a proposal process to approve a lease for a particular parcel;

4.6.1.3 Current tenants interested in leasing an additional parcel, hangar or tie down are not given preferential treatment unless specified in the exceptions above.

4.6.1.4 **Current tenants interested in extending the lease of the monthly Room Rental Lease/ Agreement will be given first opportunity**

to extend their existing lease or lease any vacant commercial rooms provided they are in good financial standing, have completed the waiting list application form, and have submitted the required deposit. Under certain circumstances i.e. multiple parties interested in a single commercial office space, the City may use a proposal process to approve a lease for a particular room;

4.6.2 Deposit

A deposit as specified on the Cold Lake Regional Aerodrome Fees and Charges Schedule is required for all waiting list applicants. This includes both new applicants and existing tenants. The wait list process for the deposit includes:

- 4.6.2.1 The deposit must be paid in full.
- 4.6.2.2 Once a lease area is available the entire deposit will be applied to the first year lease fees or the first month rent in the case of a Room Rental Lease/ Agreement.
- 4.6.2.3 Should the applicant on the waiting list withdraw from the waiting list prior to being allocated a lease area or room to rent, the wait list deposit will be refunded less an administrative fee as specified on the Cold Lake Regional Aerodrome Fees and Charges Schedule. Requests in writing must be made to withdraw from the waiting list.

4.6.3 Land Lease Offer Procedures

The Airport Manager or designate will make every effort to contact wait list applicants when vacant spaces are available. The steps taken to contact the wait list applicant include:

- 4.6.3.1 Telephone Communication;
- 4.6.3.2 Electronic Mail;
- 4.6.3.3 Written Communication if unreachable by telephone or electronic mail.

If the attempts to contact the wait list applicant fail within 15 days of the post marked date of the letter, the next person on the wait list will be contacted and the user who was unsuccessfully contacted will remain in the queue as the next person on the wait list for future leases.

An applicant shall have fifteen (15) business days to accept or reject an offer on a lease area and submit a completed lease application form with required documentation. The City will move to the next person on the list after the fifteen (15) business day period. The fifteen (15) business day period begins as per the post marked date on the letter or when the City makes contact via phone or electronic mail. Therefore, it is the responsibility of every applicant to update their contact information with the City. It is the interest of the City to keep the leased areas occupied as much as possible.

If an applicant declines two consecutive offers for a lease area or is unable to be contacted, the applicant will move to the bottom of the waiting list. If an applicant accepts an offer, the applicant is removed from the list until another application is filed.

Once an offer is accepted, the applicant will have thirty (30) business days to enter into a lease agreement. The City requires fifteen (15) business days within the thirty (30) business day timeframe to prepare the agreement based on the completed lease application and supporting documentation submitted. Once a new agreement has been signed, the new tenant shall be bound by the provisions of the lease agreement. Upon receipt of the signed agreement from the applicant the City will sign, execute and provide copies of the agreement back to the applicant within fifteen (15) business days.

4.6.4 Leased Tie Down Offer Procedures

An applicant shall have fifteen (15) business days to accept or reject an offer on a lease area and submit a completed lease application form with required documentation. The City will move to the next person on the list after the fifteen (15) business day period. The fifteen (15) business day period begins when the City makes its first attempt to contact the applicant. Therefore, it is the responsibility of every applicant to update their contact information with the Airport Manager or designate. It is the interest of the City to keep the leased areas occupied as much as possible.

If an applicant declines two consecutive offers for a lease area or is unable to be contacted, the applicant will move to the bottom of the waiting list. If an applicant accepts an offer, the applicant is removed from the list until another application is filed.

Once an offer is accepted, the applicant and the City will execute the agreement within five (5) business days. Once a new agreement has been signed, the new tenant shall be bound by the provisions of the lease agreement.

4.6.5 Trades, Assignments, Transfers

No entity may trade, assign, or transfer their position on the waiting list.

4.6.6 Monthly Room Rental Lease Offer Procedures

An applicant shall have fifteen (15) business days to accept or reject an offer on a lease a room and submit a completed lease application form with required documentation. The City will move to the next person on the list after the fifteen (15) business day period. The fifteen (15) business day period begins when the City makes its first attempt to contact the applicant. Therefore, it is the responsibility of every applicant to update their contact information with the

Airport Manager or designate. It is the interest of the City to keep the leased areas occupied as much as possible.

If an applicant declines two consecutive offers for a room lease or is unable to be contacted, the applicant will move to the bottom of the waiting list. If an applicant accepts an offer, the applicant is removed from the list until another application is filed.

Once an offer is accepted, the applicant and the City will execute the agreement within five (5) business days. Once a new agreement has been signed, the new tenant shall be bound by the provisions of the lease agreement.

4.7 Lease Application

An existing leaseholder desiring a new lease, or a potential lease holder desiring a new lease, will fill out the lease application. The application requests information regarding the proposed leaseholder; the property proposed to be leased; the use of the property; the desired length of the lease; the use, value, cost and description of any improvements to be constructed; and will include any relevant standards established by the Cold Lake Regional Aerodrome. The application will be accompanied by a lease application fee that is non-refundable and is based upon the services that may be required by the City, as listed below:

- 4.7.1 Cost of doing background and Credit checks on tenants;
- 4.7.2 Cost of code compliance/facility maintenance/ change of occupancy inspection;
- 4.7.3 Cost of appraisals;
- 4.7.4 Cost of administration review;
- 4.7.5 Cost of recording the lease.

The applicant has no right to lease or use the property until an agreement or lease has been signed by both parties and fully executed. The application will expire thirty (30) business days after the applicant has been offered the available lease space.

4.8 Rents and Fees

All rents and fees will be charged as specified on the Cold Lake Regional Aerodrome Fees and Charges schedule. These rates and fees will be based on the following considerations:

- 4.8.1 The value as dictated by availability and demand;
- 4.8.2 Rates at comparable airports;

4.8.3 Influences on local inflation;

4.8.4 The financial needs of the airport including reasonable reserves.

All fees (such as fuel flowage fees, parking and tie down fees) will be based on the cost recovery for the Cold Lake Regional Aerodrome to make the Cold Lake Regional Aerodrome as self-sustaining as possible under the circumstances existing at the Cold Lake Regional Aerodrome.

All monthly and yearly **tie down and land lease** fees will be due on January 31 or each year; **monthly room rental lease fees that will be due the on first of each month for the term of the lease and meeting room rental fees will be due at the time of application.** All rents and fees at the time of signing the **land** lease and the **yearly tie down lease** will be prorated to December 31 and shall be paid in full at the time of entering into the lease. Failure to pay rents, fees and taxes may result in the termination of the lease as defined in the lease agreements.

4.9 Tax Obligations

Each **land** lessee shall pay all taxes and assessments against any buildings or other structures used by the lessee, if imposed at any future date, any and all real property taxes assessed against the land leased from the City. Further, all **land** lessees shall be responsible for the discharge of any and all excise taxes imposed upon them. All Tax Obligations shall be paid in full upon request. Failure to pay rents, fees and taxes may result in the termination of the lease as defined in the lease agreements.

4.10 Lease Execution

After a lease has been prepared by the Airport Manager or designate, the lease will be forwarded to the lease holder who will have fifteen (15) business days to return the lease with the leaseholder's authorized signature which will be signed and notarized or witnessed. Failure of the leaseholder to return the lease within the fifteen (15) business days will result in the leaseholder forfeiting any rights under the lease. After the Airport Manager receives the signed lease from the leaseholder, the CAO will consider the lease for execution and return the copies within fifteen (15) business days.

4.11 New Leases/Agreements Preferred to Extensions or Renewal

When existing leases/agreements are terminated or expire, entering into a new lease is preferable to renewing an existing lease or extending the term of the existing lease/agreement. In either case, preference shall be given to the existing lessee. Besides affording an opportunity for a new lease, a fresh lease enables all parties to examine and update the provisions in the lease and to incorporate changes that have occurred since the formation of the lease.

4.12 Length of Land Lease Term

There is no “best” length of term for the Cold Lake Regional Aerodrome lease. The lease must be long enough to allow the leaseholder a reasonable return on the capital invested.

LENGTH of LAND LEASE TERM:

- Up to five (5) years for up to \$25,000 investment;
- Up to ten (10) years for up to \$50,000 investment;
- Up to fifteen (15) years for up to \$100,000 investment;
- Up to twenty (20) years for up to \$200,000 investment;
- Up to twenty- five (25) years for up to \$300,000 investment;
- Up to thirty (30) years for \$400,00 investment;
- For investments exceeding \$500,000, renewal options may be negotiated as part of the original lease.

On a case by case basis, the City may also consider a significantly longer lease term to support the Cold Lake Regional Aerodrome property development and to allow the lessee to amortize its investment based on the following criteria:

- Significant initial capital investment;
- Significant additional capital investment in current Leasehold Improvements;
- Services provided to other aerodrome tenants and users;
- Significant job creation;
- Public infrastructure extension which will benefit other parcels (i.e., roads, water sewer);
- Potential to attract other new aviation businesses.

However, the Cold Lake Regional Aerodrome should avoid excessively long agreements that could curtail reasonable development as the aerodrome grows.

4.13 Construction of Leasehold Improvements and Procedures

The Cold Lake Regional Aerodrome leases typically require the construction of leasehold improvements. The lessee owns title to the improvements that they construct unless the lease agreement expressly provides that the City is the owner of the leasehold improvements. Height restrictions, lot line setbacks, parking requirements, building design, quality of construction and other requirements are controlled by the City of Cold Lake, the MD of Bonnyville Land Use Bylaw, the Alberta Building Code and Transport Canada design standards. A security or performance bond may be required to guarantee the timely construction of leasehold improvements. If developments do not occur in a timely fashion as per the lease agreement the security and performance bond and all rights to leasing the property may be forfeited. Exceptions may be allowed by the City, but this must be based only on reasons beyond the control of the potential lessee.

The lessee shall submit the details of proposed development and the construction schedule within three (3) months of the date of lease execution. The lessee shall submit to the City all leasehold improvement plans and permit applications for review and approval by the City prior to submission to the MD of Bonnyville. The City will approve or reject the proposed leasehold improvements within fifteen (15) business days upon receipt date of submission. After receiving City approval, the lessee will submit their development and building application to the MD of Bonnyville for their approval prior to commencing any leasehold improvements. The lessee shall provide the City with copies of all permits, inspections and a letter of occupancy upon completion of the leasehold improvements. It is the responsibility of the lessee to ensure the leasehold improvements comply with all standards and regulations of the MD of Bonnyville Land Use Bylaw, the Alberta Building Code and Transport Canada Design Standards.

4.14 Subtenant Approval

4.14.1 Private Hangar- “Shared Expense” Subtenants/Occupants

Upon the City approval, private hangar owners may utilize a “Shared Expense” (subtenant/occupant) arrangement to offset hangar-ownership expenses subject to the following criteria:

- Owner stores at least one of its owned aircraft in the hangar;
- Only aircraft owned by the “Shared Expense” subtenant will be stored in the hangar.

If the private hangar owner does not utilize the hangar for its owner-aircraft, a commercial lease will be required for the facility.

4.14.2 Commercial Subtenant

Upon City approval, a commercial leaseholder may sublease a portion of its Leasehold Improvements to provide additional aviation- related services at the Cold Lake Regional Aerodrome.

4.14.3 Review and Approval Process for Subtenants

The lessee shall submit a fully complete subtenant application form to the City together with such additional information as may be required for review and consideration by the City. The information will be reviewed based on parameters included in this Cold Lake Regional Aerodrome Lease Policy. The following will be provided by the Lessee, “Shared Expense” and/or Commercial Subtenant/Occupant:

- Indemnity and Insurance Documentation which requires insurance coverage to the City's full satisfaction;
- Written Acknowledgement that all guests, invitees and those entering or doing business on the Leased premise comply with the Cold Lake Regional Aerodrome Users Policy;
- Registration Documentation for all aircraft.

The City will reject or approve all subtenant applications within fifteen (15) business days.

4.15 Tie Downs

The Cold Lake Regional Aerodrome has two types of aircraft tie down arrangements: leased and non-leased.

4.15.1 Leased Tie Downs

All tie down arrangements of a month or longer will be classified as leased and maintained by the City. The potential tie down lessees shall submit a fully completed Tie-Down Lease application form or completed waiting list form to the City with such additional information as may be required for the review by the City. Applications will be reviewed based on the parameters included in the leasing policy. Upon an offer from the City the tie down applicant will be required to enter into a lease agreement within five (5) business days if they accept the City's offer.

4.15.2 Non- Leased Tie Downs

The non-leased tie down arrangements, which include all tie downs of less than a month, will be managed by the City. The City will maintain a portion of the tie down locations for non- leased tie downs to ensure that those visiting the Cold Lake Regional Aerodrome have space available for temporary stays.

Aircraft owners for non- leased tie down areas will contact the City and they will provide accommodations based on first come first serve basis and availability.

Any spaces designated as leased tie down locations that are not being leased may be made available for non-leased tie downs at the discretion of the City for a length of time as specified by the City.

4.16 Lease Extensions Existing Tenants and Equity

If an existing tenant wants to extend their lease they must submit a request for a lease extension **six (6) months** prior to the end of their current lease. The City is not obligated to accept such a request, but will consider all requests for extension, evaluating them in light of the following criteria:

- 4.16.1 The tenant has fully complied with all the terms and conditions of the existing lease, including timely payment of rent;
- 4.16.2 Granting an extension would be in the best interest of the City;
- 4.16.3 Existing/proposed use must be consistent with the Cold Lake Airport Business Plan and other relevant land use planning documents;
- 4.16.4 The City must determine that there is no immediate need for the land after the current lease expires;
- 4.16.5 The lessee must be in good standing (i.e. Compliant with the existing lease terms including timely payment of rent and other operating fees);
- 4.16.6 New capital investment shall apply to qualify for a term in excess of the current termination date to allow the lessee to have a reasonable return on the capital investment;
- 4.16.7 The City shall determine whether or not the public interest would be better served by allowing the lease to expire so that the potential new tenants may participate in a competitive selection process;
- 4.16.8 If the developments on the site are to revert to City ownership, the City may choose to retain ownership of the facilities and to lease these improvements back to the lessee with the extended lease term, or the City may require payment for the present value of its reversionary interest in the leasehold improvements.

4.17 Timing of the Land Lease Process

Approximately **one (1) year** before a lease is to expire; the City should begin to consider whether a new lease will be entered into at that particular location. If a new lease will not be considered the current leaseholder should be notified. If the City decides it is going to lease the property, it should begin to establish the standards for the new leasehold.

The City should obtain ideas and recommendations from other City departments and any other sources as to the use of the leasehold property. The City may also inspect the leasehold and its improvements before the lease is terminated, expired or renewed to assure that the leaseholder has complied with all of the terms and conditions of the lease. The inspection will include such things as the nature of any problems or requirements need to bring the building up to code or current standards. The inspection will also verify any environmental deterioration. All lessees with a lease of five (5) years or longer are required to conduct a building inspection one (1) year prior to the expiration of the lease and submit the report to the City for review.

Approximately **six (6) months** before the lease expiration, the City should enter negotiations for a new lease with the existing tenant, offer the leasehold to an applicant on the waiting list or advertise the availability of the leasehold to the public. The lease applications, and/or proposals, should be received by the City within thirty (30) days of the initial advertisement. Once the applications and/or proposals have been received, the City will review them to determine which of the following are needed:

- Background check on applicants
- Professional and financial qualifications and capabilities
- Change of occupancy inspection
- Code compliance inspection
- Zoning review
- Appraisals

Approximately **three (3) months** before the lease expires, the City should complete negotiations with the existing leaseholder or select the successful prospective applicant, prepare the lease using the standard applicable format, and deliver to the leaseholder for execution. All applicants shall be notified in writing advising if their application was accepted or rejected.

The leaseholder should execute and return the lease within a reasonable period of time, not to exceed **thirty (30) days**. Fully executed copies will be sent to the lease holder and the City's Records and Retention department

4.18 Code Compliance/ Facility Maintenance Inspection

The City may perform yearly informal Facility Maintenance Inspections. The City will not be liable or responsible for failing to detect a code violation from the informal Facility Maintenance Inspection.

Leases five years or longer that involves a building or other structural improvements, will require the lessee to have a formal building inspection conducted prior to the lease expiration or renewal at the expense of the lessee. The inspection must be completed by a qualified building inspector. The inspection will check the facility for code violations, poor maintenance, and damages beyond "fair wear and tear." The lessee will provide the City with a copy of the report for their records and review. The current leaseholder will be required to repair, replace or remove any findings to the satisfaction of the City before expiration of the lease.

4.19 Maintenance and Operational Obligations

4.19.1 Maintenance Obligations

- 4.19.1.1 In the landing area, the City shall be obligated for full maintenance of all public-use runways, taxiways, and aprons;
- 4.19.1.2 The City shall be obligated for the full maintenance of the ramps;
- 4.19.1.3 Maintenance provisions are necessarily difficult to enforce. The City shall be the sole judge of the quality and suitability of maintenance. Upon written notice, the City may require the lessee to preform necessary maintenance. In the event such

maintenance is not undertaken as required, the agreement will further provide that the City may perform such maintenance on the lessee behalf at the expense of the lessee.

4.19.2 Operational Obligations

In addition to the above, the lessee shall be responsible for the following, as appropriate:

- 4.19.2.1 Obtain permits and business licenses from appropriate agencies as necessary to conduct business operations at the Cold Lake Regional Aerodrome. Lessees must also conform to all applicable federal, provincial and local codes and regulations;
- 4.19.2.2 All commercial lessees must provide suitable parking for their employees and customers;
- 4.19.2.3 To the extent necessary to protect the rights and interest of the City or the ascertain compliance with these standards and rules and regulations, the City or its authorized representatives shall have the right to inspect, during reasonable hours with reasonable notice, all aircraft, equipment, structures, premises, facilities and improvements on the Cold Lake Regional Aerodrome.

4.20 Insurance and Bonding

4.20.1 Coverage

All arrangements shall require the lessee to provide, at its own cost, insurance coverage at a level to be determined by the City. Such coverage shall be underwritten by a responsible, recognized insurance carrier. The following coverage shall be required as applicable:

- 4.20.1.1 Third-party comprehensive general liability coverage for bodily injury and property damage including owned and non-owned vehicles;
- 4.20.1.2 Aircraft Liability coverage, including bodily injury and property damage as per CAR 606.02;
- 4.20.1.3 Passenger Liability Insurance for bodily injury and disability as per CAR 606.02;
- 4.20.1.4 Products liability and complete operations coverage in addition to the foregoing comprehensive general liability insurance where the licensee operates a food service or offers goods or merchandise for sale;
- 4.20.1.5 Statutory worker's comprehensive and employer's liability coverage;
- 4.20.1.6 Fire and extended coverage and vandalism and malicious mischief insurance (full replacement value), as provided for

damage or destruction of real property or leasehold improvements, where the City has , or will have, an interest in such property by virtue of an existing lease;

4.20.1.7 Premises Legal Liability Inclusion coverage for hangar owner's in the amount as specified in the lease agreement;

4.20.1.8 All licenses erecting substantial improvements at the Cold Lake Regional Aerodrome shall be required to furnish to the City a copy of a contract between the lessee and the lessee's licensed contractor.

4.20.2 Hold Harmless

In addition to providing the liability insurance, the lessee shall agree to hold the City harmless from all claims and liabilities occasioned by the operator's activities under the agreement with the City.

4.20.3 Hazardous Materials

The City shall reserve the right to restrict the lessee from conducting any activity or storing inflammable materials or substances, which would increase the City's insurance rate or cause an insurance agreement of the City to be cancelled.

4.20.4 Insurance Adjustment

At the option of the City, all agreements with a term in excess of one (1) year will provide a suitable means for adjusting the insurance coverage based on the then- current industry standards.

4.21 Appraisals

If an appraisal is required before a new lease is executed, the appraisal will be done by one or more disinterested, independent appraisers. The appraiser will determine the fair market value of the premises. The appraisal will take into account the services being provided to the premises, the improvements placed on the premises, and any restriction or limitation on the use of the premises including, but not limited to, aviation restricted use. The cost of the appraisal will be paid for by the lease applicant or the current lessee.

4.22 Environmental Considerations

The leaseholder is required to comply with environmental rules and regulations. Any spills of petroleum products, acids, hazardous materials or other contaminants will be reported immediately to the emergency fire services and the Airport Manager. This notification must be made immediately; that is within minutes of the spill.

4.23 Change of Use or Occupancy/Code Compliance/Facility Maintenance Inspection

If the use of the leased premises is being changed from its existing use to another use or from one tenant to another, an inspection by a certified building inspection for code compliance may be done before entry into a new lease. All violations which have been detected will be identified in writing and will be required to be remedied before a new lease will be executed. The City will not be liable or responsible for failing to detect a violation during the inspection.

4.24 Cold Lake Regional Aerodrome Standards

The City may establish standards related to the proposed use of the leasehold including, but not limited to the following:

- 4.24.1 The quality and level of service to be provided;
- 4.24.2 The nature of improvements, alterations, and repairs to be made to the property;
- 4.24.3 Other standards that are in the public's interest.

The standards should be reasonable, not unjustly discriminatory, and be applied objectively and uniformly with the overriding concern being the best interests of the Cold Lake Regional Aerodrome and the safety of the public served by the Cold Lake Regional Aerodrome.

4.25 Revocation of Lease, Permit or License

The City shall have the right to terminate any lease, permit, license, or agreement covering a commercial or non-commercial operation and to revoke a lease on any land or facility upon the Cold Lake Regional Aerodrome for any cause or reason provided by these policies, the lease, license or agreement itself, by law, or upon the happening of one or more of the following:

- 4.25.1 Filing a petition of voluntary or involuntary bankruptcy with respect to the operator or licensee;
- 4.25.2 The making by the operator or licensee or lessee of any general assignment for the benefit of the creditors;
- 4.25.3 The failure of an operator or licensee or lessee to pay promptly when due all rents, charges, fees or other payments in accordance with applicable leases, fee schedules, agreements or licenses;
- 4.25.4 The failure of the operator or lessee to remedy any default, breach or violation of the Cold Lake Regional Aerodrome policies, agreements or leases within thirty (30) days after notice from the City;

4.25.5 Failure to maintain current licenses, registrations and insurances required for the permitted operation;

4.25.6 Intentionally supplying the City with false or misleading information or misrepresenting any material fact on the application or documents, or in statements to do or before the City, or intentional failure to make full disclosure on a financial statement or other required document.

4.26 Disposal of Improvements

Improvements are usually constructed on the lease premises as required or permitted under the lease document. Improvements can range from major improvements, such as the construction of a building, to minor improvements, such as carpeting, painting and refurbishment. Lease terms should govern the disposition of the improvements.

The lessee owns the permanent improvements that they construct or purchase during the term of the lease, unless the lease expressly provides that the City is the owner of the permanent improvements. At the expiration, termination, or cancellation of the lease, the improvements shall be governed by the following:

4.26.1 The lessee who owns the improvements shall continue to own the improvements that the lessee constructed or purchased on a new lease if the lessee is granted a new lease or an extended term for the same land;

4.26.2 A lessee may sell the permanent improvements owned by the lessee to a succeeding lessee of the same land;

4.26.3 After notice by the City, the permanent improvements owned by the lessee shall be removed at the lessee's sole expense if:

4.26.3.1 The permanent improvements do not comply with the written Cold Lake Regional Aerodrome policies and agreements;

4.26.3.2 The permanent improvements do not comply with the written Cold Lake Regional Aerodrome policies and agreements;

4.26.3.3 The City makes written findings that the permanent improvements are a safety hazard to the public.

5.0 References

- Cold Lake Regional Aerodrome Lot Plan
- Cold Lake Regional Airport Business Plan
- Cold Lake Regional Aerodrome Users Policy
- Cold Lake Regional Aerodrome Operations Manual
- TP312

6.0 **Persons Affected**

- Infrastructure Services Department
- Corporate Services Records and Retention
- Current Cold Lake Regional Aerodrome Lease Holders
- Future or renewing Cold Lake Regional Aerodrome Lease Holders
- Cold Lake Regional Airport Association

7.0 **Revision/Review History**

Date

Chief Administrative Officer

Date

Mayor