



**City of Kingston  
Report to Council  
Report Number 24-088**

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**To:** Mayor and Members of Council  
**From:** Paige Agnew, Commissioner, Growth & Development Services  
**Resource Staff:** Brandon Forrest, Director, Business, Real Estate & Environment  
**Date of Meeting:** March 5, 2024  
**Subject:** Leasing Matters - Kingston Airport (YGK)

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**Council Strategic Plan Alignment:**

Theme: 5. Drive Inclusive Economic Growth

Goal: See above

**Executive Summary:**

Kingston Airport, referred to by its international location code as (YGK), has several ongoing land leases with tenants operating long term aviation related businesses. In accordance with the City of Kingston's Delegation of Authority By-Law 2016-189 and associated By-Law 2014-141, new leases over \$150,000 in value for the associated term, or lease terms longer than ten years, require Council approval as they are above the threshold limits delegated to City staff. AOG Heliservices Inc. (AOG) and Central Airways Ltd. (Central Airways) have requested a new lease and an extension to their existing lease, respectively. City staff are seeking approval of these associated lease matters.

**Recommendation:**

**That** Council approve a new lease agreement between AOG Heliservices Inc. and The Corporation of the City of Kingston for premises located at the Kingston Airport, under the terms and conditions outlined in Report Number 24-088; and

March 5, 2024

Page 2 of 5

**That** Council approve a ten-year term extension to the existing lease agreement between Central Airways Ltd. and The Corporation of the City of Kingston for premises located at Kingston Airport, under the terms and conditions outlined in Report Number 24-088; and

**That** Council authorize the Mayor and City Clerk to execute all necessary agreements or documents required to give effect to Report Number 24-088, in a form satisfactory to the Director of Legal Services.

March 5, 2024

Page 3 of 5

**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

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**Paige Agnew, Commissioner,  
Growth & Development Services**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief  
Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	

March 5, 2024

Page 4 of 5

**Options/Discussion:****AOG Heliservices Inc.**

AOG operates an aircraft maintenance, repair and overhaul shop and has occupied a portion of land at YGK, known municipally as 1032 Len Birchall Way (AOG Lands), since approximately 1983. The respective structures on the AOG Lands are owned & maintained by AOG and permitted by way of a land lease. The current lease expired in 2013 with continued occupation of the AOG Lands facilitated by a holdover provision within that lease. AOG has requested a new lease term with plans to continue their operation indefinitely. City staff have considered AOG's request and are recommending a new ten-year term with an option for a further five-year extension. City staff procured an Airport Fees and Charges Review report in 2023, completed by an external consultant, to assess and recommend updated airport fees and charges. The annual land lease rate for 2024 will be \$15,470.00, with annual escalations in accordance with the Consumer Price Index and the City's Revenue Leasing and Licensing Policy. As the new lease with AOG would be over a ten-year term and greater than \$150,000 in value, Council approval is necessary.

**Central Airways Ltd.**

Central Airways has been a long-term tenant at YGK that offers aviation related services such as catering, de-icing, baggage handling, aircraft maintenance and storage and is a licenced aviation fuel provider through World Fuels. A land lease was entered into in 2006 for the lands known municipally as 1138 Len Birchall Way, with its original term expiring in 2021. A lease extension was granted in 2015 extending the land lease until 2030, with an option to further extend until 2040. The tenant has requested a further 10-year extension option (to 2050) to justify construction of additional hangar space upon their leased lands, allowing amortization of the capital expense over a sufficient period. The terms of the existing lease extension provision allow for the negotiation of terms, conditions and rental rates at the end of the existing lease term in 2030. The annual land lease rate for 2024 will be approximately \$25,000, with annual escalations in accordance with the Consumer Price Index. City staff are supportive of the proposed extension period and the proposed hangar expansion by the tenant. Construction of additional hangar space at YGK will allow for expanded operations and increased airport usage. As the proposed lease extension with Central Airways would be over a ten-year term, Council approval is necessary.

**Existing Policy/By-Law:**

Revenue Leasing and Licensing Policy

**Financial Considerations:**

Granting long-term leases at YGK provides increased support and sustainability of airport operations and creates a path for further financial expansion in the future. Tenants contribute a proportionate share of the property taxes.

March 5, 2024

Page 5 of 5

**Contacts:**

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extension 2429

**Other City of Kingston Staff Consulted:**

Aron Winterstein, Airport Manager, Kingston Airport

Jenna Morley, Director, Legal Services

**Exhibits Attached:**

Exhibit A     Map of Leased Lands



