

The following discussion took place in the Legislature;

**Ms. Moorcroft:**

Another question that we bring to the minister's attention every year in Highways and Public Works debate relates to the Highways and Public Works maintenance yard in Carmacks. The Village of Carmacks and the Little Salmon Carmacks First Nation have asked that it be moved. I would like to ask the minister if there is any activity planned to address that in the next year.

I would like to turn to expenditures on airports. There is \$2.44 million in Whitehorse airport improvements — \$1.5 million is for Erik Nielsen Whitehorse International Airport terminal improvements. What are the improvements to be carried out in the Whitehorse terminal? What role will the YACA agreement play, if any, and will that have any effect on the costing?

Given the recent issues with the apron contracting and construction, how is the government moving forward to make sure that those same issues don't crop up with the improvements on the south and north sides of apron 2? Will engineering, soil and other relevant studies be conducted before beginning construction?

Also at the Whitehorse airport, with construction projects that have already been undertaken, I have a question related to the accessibility of the parking lot and the ramp down to the airport. We have discussed this before in Highways and Public Works debate. I brought forward to the minister's attention the concern from the disability community that the grade of the ramp isn't quite right. I would like to know if there are any funds in this budget to address those deficiencies.

I want to thank the minister for providing a six-page response to the questions that I and the Member for Klondike had asked during budget debate in 2015. Those questions were put on the record in May of last year and we got the response on April 8. The minister did not provide a copy to the Member for Klondike, so I have provided him with a copy. Some of the questions that the Member for Klondike had asked — I don't know if there has been a response, but I haven't seen them if there was. We did put on the record that we would appreciate when the minister is responding to questions from opposition members that they provide them to both opposition parties. I want to repeat that.

One of the questions that I had put on the record related to airports was to do with the soil backfilling as part of the water and sewer expansion. The response indicates that two percent of the soil samples collected were above the commercial standards and 13 percent of the sampling of the upper tank farm excavation area exceeded the regulation limits for residential standards. At the airport, the commercial standards apply. Did the government conclude that because only two percent of the soil samples were above the commercial standards that there was no remedial action required?

Another question that I have related to airports is the leasing of lots at the Whitehorse airport. I have been corresponding with the minister by e-mail about that, so we can follow up on that once the minister is able to give me a response to the questions I have already provided for him. I do have some questions related to the Dawson City Airport development plan, but I think I will pause to hear the minister's response on the questions related to Whitehorse airport improvements.

**Hon. Mr. Kent:**

Madam Chair, the first question raised by the member opposite was with respect to the grader station at Carmacks. There is money in this budget to develop a generic grader station design that we can not only use at Carmacks, but also use to plan long term as far as grader station replacements at other maintenance camps throughout the territory as warranted. I certainly know — and have heard from the First Nation as well as the village council — the importance of Carmacks. It is our priority-one to replace, so the planning and the design work will be done this year. Next year hopefully we will be able to put dollars in the budget to replace the grader station and relocate it to a more suitable location for the Village of Carmacks.

As I mentioned, it has always been a project that has been around and needs to be done. We are investing in living facilities at two maintenance camps in this fiscal year — Swift River and Drury Creek — as I mentioned, and making improvements to the facilities is also something that is important to our government for the health, well-being and safety of our workforce.

I may have to get the member opposite just to repeat a couple of her questions with respect to airports, but I can say that on the \$1.5 million that we have for investments in the terminal building at the Whitehorse International Airport, upgrades and renovations to the Erik Nielsen Whitehorse International Airport include the following: modernizing the check-in area and expanding or remodelling the check-in washrooms; reconfiguring the gate 5 holding area for better utilization and to reduce the loading in the main hold area; improving the washroom access of the main hold room to code requirements; and making upgrades to other important aspects such as elevators, HVAC, and chillers. I believe there is some office space that is in the newer portion of the building — above there — and we're going to look to identify what it's going to take to upgrade that. I think the plan right now would be to move the airline offices into there so that we could upgrade the baggage-handling facilities in a future fiscal year but that's part of that \$1.5 million.

I know the member opposite had some questions about the water and sewer project. Obviously we rely on the Department of Environment with that file. I apologize; I don't have a copy of the response I sent her so I don't think I can read that into the record. Perhaps I'll get one before we conclude debate today and I can come back to that aspect.

I don't believe, Madam Chair, that there is anything in this budget to re-slope the grades or the access ramp grades at the airport. I will have to follow up with officials to get a determination on when that work is contemplated to be undertaken, or when studies on what needs to be done there will be undertaken.

I can talk a little bit — and I know I'm missing one question in here for sure, but hopefully we'll be able to come back to it fairly quickly. I do want to talk about the airport lease issue though because, as the member opposite said, she and I have been back and forth. I won't reference the individual in question who we've been working with, but I'll provide a bit of a background for the member opposite on this file.

Following amendments to the Financial Administration Act in November 2014, it was determined that aviation leases required a review and updating to include clauses introduced by Transport Canada and to clarify some of the terms and conditions. Since that time, Highways and Public Works has been working with the Department of Justice to review the current lease template and develop new lease terms and conditions for leases on airport land. Through this review,

Yukon government is standardizing leases and lease terms to ensure consistent clauses in all future leases and compliance with the regulations. Our primary goal is to ensure the Yukon government continues with fair, equitable and future-focused management of public lands, so until the review is completed, any leases which expired since December 2014 are in an over-holding tenancy. The over-holding tenancy is essentially a month-to-month lease with the same terms and conditions as the expired lease. Existing leases with renewal clauses are able to be renewed and have been renewed as per their terms and conditions. Tenants who currently do not have renewal clauses in their leases need to enter into new leases when the review is complete. While the time frame for when the review will be complete has not yet been determined, HPW has no intention of evicting any tenants at the airport and is continuing to allow tenants requiring new leases to remain in that over-holding tenancy.

Hopefully that provides a bit of information for the member opposite, as I know we have been going back and forth with, I believe, one of her constituents who is affected by this.

**Ms. Moorcroft:**

I thank the minister for his update on the review of the leases at the Whitehorse airport. The minister has indicated that there was a need to insert new clauses, as determined by Transport Canada, so that they are clarifying the terms and conditions and developing new terms and conditions. The government is also making sure that there are consistent clauses in all of the leases.

The question that I have been asked relates to exactly what the minister just said about having a fair and equitable focus. The information that I've been provided — and the minister can correct that if there's an error — is that there are some leaseholders at the airport who have been able to renew a 10-year lease for an additional 10-year period under existing terms and conditions and have also been told that there was a lease that was renewed for a 30-year term.

Have new terms and conditions been inserted into the leases that have been renewed for 10 years? Have new terms and conditions been inserted into a lease that has been renewed for a 30-year period — if that has happened? Does the minister have a date that he can provide as to when he thinks the review of the leasing at the Whitehorse airport will be completed?

The final question that I will ask is: Can the minister then confirm that every tenant who did have a lease that may have expired is still able to continue with an over-holding tenancy lease from month to month under the terms and conditions that were in effect before the lease expired?

**Hon. Mr. Kent:**

Yes, there are two — I'm sure there are more, but there are two sort of separate aspects at play here.

There are some existing leases that did have renewal clauses and are able to be renewed and have been renewed as per their terms and conditions. The tenants who don't have renewal clauses in their leases need to enter into new leases when the review is complete.

Again, as I mentioned, the review is about standardizing leases and lease terms to ensure that consistent clauses in all leases are compliant with what we've identified by Transport Canada and clarifying terms and conditions, so there are two different aspects at play.

As I mentioned, while the time frame for when the review will be complete hasn't been determined yet — officials are working with Justice officials on nailing down that date — we have no intention of evicting any tenants at the airport and we will continue to allow tenants requiring new leases to remain in an over-holding tenancy, which, as I mentioned, is that month-to-month lease arrangement.

**Ms. Moorcroft:**

The minister has said they are clarifying the terms and conditions and developing new terms and conditions to ensure there are consistent clauses in order to meet Transport Canada requirements.

Can the minister tell us what the new Transport Canada requirements are? Can the minister explain whether the new Transport Canada requirements have been inserted or are being met in the renewal of leases?

If the goal is to standardize and if Transport Canada has established new requirements, how can the government renew leases for 10-year periods without meeting those Transport Canada requirements? Perhaps the minister can clarify that for us.

**Hon. Mr. Kent:**

I don't have the Transport Canada requirements here with me but I will endeavour to make those available.

I can tell the member opposite that as recently as February 1, 2016, the Department of Justice confirmed with the Aviation branch that airport leases that do have a current renewal clause could and should be renewed as per their renewal terms.

Airport leases that do not have a renewal clause will need to remain in the over-holding tenancy or the month-to-month lease until new lease terms are drafted.

Since February 1, the Aviation branch has proceeded with processing lease renewals for leases that have valid renewal clauses. Again, this has been done in consultation with our legal experts at the Department of Justice.