

CITY OF KELOWNA
MEMORANDUM

DATE: June 2, 2002 File: 0550-05
2380-20-8079
TO: City Manager
FROM: Airport General Manager
SUBJECT: AIR TERMINAL BUILDING SPACE SUB-LEASE AND AIRPORT USE AGREEMENT FOR CENTRAL MOUNTAIN AIR

RECOMMENDATION

THAT Council authorize the Mayor and City Clerk to sign the Air Terminal Building Space Sub-Lease and the Air Carrier Airport Use Agreement allowing Central Mountain Air to operate at the Kelowna International Airport.

BACKGROUND AND COMMENTS

In 1992, City Council authorized the sub-lease of air terminal building space to Central Mountain Air to operate as an air carrier at the Kelowna International Airport. Central Mountain Air, located in Smithers, B.C., provided air service to such communities as Castlegar, Kamloops, Prince George and Vancouver from the Kelowna International Airport using Beechcraft 1900 aircraft. This sub-lease was terminated by Central Mountain Air in July 1996 as an agreement was signed with AirBC Limited to carry out the ground handling.

Central Mountain Air has asked to resume operations at the Kelowna International Airport starting on June 16, 2002, offering Sunday to Friday service to Kamloops and Prince George using Beechcraft aircraft. The Airport Use Agreement, approved by the City Solicitor in 1996, was authorized by City Council in September 1996 and allows the Mayor and City Clerk to sign with new entrant air carries wishing to operate at our airport. It requires the provision of a security deposit equivalent to the sum of three months landing and general terminal fees before commencing operations.

The air terminal building space sub-lease provides for the use of one room and corridor for office space which will result in monthly rent payments of approximately \$1,030.00, plus additional monthly common-use charges for the baggage makeup, outgoing baggage belt, and apron equipment parking areas based on passenger volumes. The term of the air terminal building space sub-lease has been set on a month-to-month basis.

R. Sellick

SS/jmj