

CITY OF KELOWNA

MEMORANDUM

DATE: January 26, 2004

File: 0550-05
2380-20-8125

TO: City Manager

FROM: Airport General Manager

SUBJECT: SKYLINE HELICOPTERS LTD.

RECOMMENDATION

THAT Council approve leasing Skyline Helicopters Ltd. approximately 106,000 sq. ft. of airport land;
AND THAT Council authorize the Mayor and City Clerk to sign the lease on behalf of the City;
AND FURTHER THAT Council direct staff to prepare the sub-lease authorization for the required alternate approval process.

BACKGROUND AND COMMENTS

Skyline Helicopters Ltd. is a local company that has operated at YLW for 5 years. It currently operates out of facilities at AOG Air Support Inc.

The proposed hangar facility of approximately 22,000 sq. ft. is compatible with the airport's Land Use Plan. The lessee adjacent to the south property line is also a helicopter operation, Northern Air Support Ltd. The property to the north is currently unoccupied.

The exact area of the leasehold will be determined with a legal survey after construction completion.

The term of the lease would be for 25 years and 10 months, expiring on December 30th, 2029.

The rent for 2004 would be \$0.2197/sq.ft./annum.

The airport maintenance charge for 2004 would be \$0.0234/sq.ft./annum for common area maintenance.

In accordance with Council policy adopted May 8, 2000 the rent and airport maintenance charge will be subject to a 2% per annum increase effective January 1st, 2005 for the balance of the term.

This lease will require Transport Canada consent.

R. Sellick

RS/cdu

Site Plan Attached