CITY OF KELOWNA

MEMORANDUM

DATE: July 12, 2004

TO: City Manager

File: 0550-05 2380-20-8057

FROM: Assistant Airport General Manager

SUBJECT: ADDITIONAL LAND SUB-LEASE AREA- 600897 B.C. LTD. (CARSON AIR) -KELOWNA INTERNATIONAL AIRPORT_____

RECOMMENDATION

THAT Council approve expanding 600897 B.C. Ltd.'s existing airport sub-lease through a supplemental agreement, by approximately 26,479.44 sq. ft. of airport land;

AND THAT Council authorize the Mayor and City Clerk to sign the lease on behalf of the City.

BACKGROUND AND COMMENTS

In 2000, Council approved an expansion to Carson Air's sub-lease from 86,614 sq.ft. to 159,763 sq.ft. This included the development of a new hangar complex which was completed in July of 2003.

As part of Carson Air's original proposal, it was envisaged that once the hangar, associated apron and taxiway access work was complete, Carson Air could expand their lease boundary to the east.

The 26,479.44 sq.ft. reflects the expanded lease area. The rental rate and airport maintenance charge will be in accordance with Council policy adopted May 8, 2000.

Carson Air operates a number of aviation-related companies which include an accredited flight training school, a Shell AeroCentre, FedEx cargo operation, aircraft charter operation and an aircraft maintenance department.

The supplemental agreement will require Transport Canada consent and will have a term that expires at the same time as the existing sub-lease to 600897 B.C. Ltd. on December 31, 2030.

S. Samaddar

SS/cdu