
CITY OF KELOWNA

MEMORANDUM

Date: April 12, 2005
File No.: 0810-20
To: City Manager
From: Sports and Facilities Manager
Subject: Okanagan Military Museum Lease Agreement

RECOMMENDATION:

THAT City Council approve the lease agreement with the Okanagan Military Museum Society as attached to the report dated April 12, 2005, from the Sports and Facilities Manager;

AND THAT the Mayor and City Clerk be authorized to execute the lease agreement.

BACKGROUND:

The Okanagan Military Museum Society has been a tenant in Memorial Arena commencing the summer of 1999. The original lease agreement was for the space immediately above the main dressing rooms (~4980 sq. ft.) and was for a five year term with an option to extend for an additional one five year term.

In 2002 staff conducted an Internal Space Assessment and Allocation Review for Memorial Arena. This process involved receiving input from key facility stakeholders and determine opportunities for better facility utilization recognizing current and future operational needs. Through this process it was determined and approved by City Council that the Military Museum would also have access to areas on the main level, specifically the main entrance area off Ellis St. and the Memorial Room/Staff Room area on the north side of the building. This brings their total space to approximately 11,000 sq. ft.

DISCUSSION:

This new lease agreement follows the general terms and conditions of standard City agreements, plus takes into account the added space on the main level of Memorial Arena as well as integration plans with the Kelowna Museum Association. Key business terms include:

- The initial term of the agreement is for two years from January 1, 2005 to December 31, 2006.
- Option to extend for a further 3 year term.
- Rent of \$1.00 for the term of this agreement.
- Fully meet the City insurance requirements.
- Tenant responsible to pay utility costs associated with the space.
- Tenant responsible for all operating costs associated with the space provided.

-
- Tenant responsible for all costs associated with capital improvements and must receive approval from the City prior to commencement.
 - Appropriately defined termination clause.

The Okanagan Military Museum Society and Kelowna Museum Association have entered into a cooperation and integration agreement with the view of working together on a common agenda to collect, preserve, exhibit and display artifacts representing the cultural heritage of the Okanagan Valley. Recent discussions between the two boards have agreed to move towards a full integration of the two museums and has received unanimous support by their respective memberships at recent Annual General Meeting's. The two organizations will now take formal measures to amend their constitution, bylaws, operating procedures, etc. to reflect the new organization. It is expected that this amalgamation will become complete early in 2006. Article 4.07 provides for the assignment of the responsibilities of this lease will be assumed by the newly created Kelowna Museums Society.

The authorized signatories for the Okanagan Military Museum have already signed the lease.

Jim Gabriel
Sports and Facilities Manager

Attachment: Okanagan Military Museum Lease Agreement

Cc: Director of Parks and Leisure Services
Recreation Services Manager