

CITY OF KELOWNA

M E M O R A N D U M

DATE: April 27, 2005 File: 2380-20-8133
0550-05
TO: City Manager
FROM: Airport General Manager
SUBJECT: PROPOSED ARGUS HANGAR DEVELOPMENT – KELOWNA INTL. AIRPORT

RECOMMENDATION

THAT Council approve leasing Argus Properties 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.

BACKGROUND AND COMMENTS

Argus Properties Ltd. is proposing to build a hangar to accommodate the RCMP helicopter, its own company helicopter, and other aviation-related tenants.

The proposed hangar facility of approximately 16,200 sq. ft. is compatible with the airport's Land Use Plan. The lessee adjacent to the south property line, Skyline Helicopters Ltd., is also a helicopter operation. The boundary to the north is Old Vernon Road.

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

The term of the lease would be for 24 years and 6 months, expiring on December 30th, 2029.

The rent for 2005 would be \$0.2241/sq.ft./annum.

The airport maintenance charge for 2005 would be \$0.0239/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, 2006 for the balance of the term.

This lease will require Transport Canada consent.



R. Sellick

RS/cdu

Site Plan Attached