

---

## CITY OF KELOWNA MEMORANDUM

---

**Date:** 2006 July 5  
**File No.:** 0760-20  
**To:** City Manager  
**From:** Civic Properties Manager  
**Subject:** **Capri Mall Lease**, Active Communities Support Centre

---

### **RECOMMENDATION:**

**THAT** City Council approves a three (3) year commercial expense lease with a one- or two-year renewal option with Prospero Properties Ltd. for Unit 110–1835 Gordon Drive, at the Capri Mall;

**AND THAT** the Mayor and City Clerk be authorized to sign the lease based on the attached business terms;

**AND FURTHER THAT** Civic Properties return to Council with a revenue sub-lease with the Central Okanagan Regional District that obligates them to on-going base rent and one-time tenant improvement costs for their Drug Policy Coordination Program.

### **BACKGROUND:**

In the 2006 Final Budget, Council approved the reallocation of existing capital toward tenant improvements in leased space at the Capri Mall for the Kick Start Support Centre (see Project # 10-220-C5032). The goal of the Kick Start program is to increase Kelowna's participation in active living 20% by the 2010 Winter Olympics. This location provides a good venue to reach new audiences that are currently not engaged in active living, especially since the Capri Mall is developing a wellness theme for the selection of its key tenants.

The only space Prospero could offer in the Capri Mall was larger than originally discussed. Whereas the original request was for no more than 1500 net square feet, the smallest space available was 1765 net square feet. Prospero honoured the total gross rent originally discussed and the Central Okanagan Regional District (CORD) has agreed to partner with the City by co-locating their Drug Policy Coordination Program in the premises. The collocation of these two programs will create a positive synergy. CORD has asked for an office space and for a doubling in the size of the meeting room (see sketch attached). CORD will pay for their fair share of ongoing rent and tenant improvements. Funding for the City's portion of the lease has been approved (372-10-251-0-001).

---

Randy Cleveland  
Civic Properties Manager

Attachment

cc: Director, Recreation, Parks & Cultural Services  
Financial Planning Manager  
Program Development Manager

**Primary Business Terms of Lease**

Term: 3 years with a 1- or 2-year renewal  
Commencement: July 1, 2006  
Rent: \$30,000 per annum gross rent plus tenant improvements  
Renewal rents to be re-negotiated