

## Council Report

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<b>Report Number:</b>	RS2021-049
<b>Meeting Date:</b>	December 14, 2021
<b>Title:</b>	<b>Proposed Lease Agreement for the Hangar Lot 26 at the Lindsay Municipal Airport</b>
<b>Description:</b>	Lease pertains to a privately constructed and owned hangar on Lot 26 located on the City-owned land (Municipal Airport, 3187 Highway 35 N., Lindsay)
<b>Author and Title:</b>	Christine Oliver, Law Clerk – Realty Services

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### Recommendation(s):

**That** Report RS2021-049, **Proposed Lease Agreement for Hangar Lot 26 at the Lindsay Municipal Airport**, be received;

**That** a by-law (attached as Appendix I) be approved, authorizing the Mayor and Clerk to execute two proposed lease agreements (attached as Appendix G and H) to show the change in ownership of the hangar identified as Lot 26 at the Municipal Airport, 3187 Highway 35 N., Lindsay. The original executed 25-year lease agreement dated the 1<sup>st</sup> day of October 2019 (attached as Appendix E) between the City of Kawartha Lakes and Charles Wright for a privately constructed and owned hangar on Lot 26 at the Municipal Airport, 3187 Highway 35 N., Lindsay; and

**That** the Mayor and Clerk be authorized to execute the two lease agreements, as set out in Appendix G and Appendix H.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

The City of Kawartha Lakes entered into a lease agreement with Charles Wright to allow Charles Wright to privately construct and own a hangar on Lot 26 (identified on Appendix E) at the Municipal Airport, municipally known as 3187 Highway 35, Lindsay (the "Airport"). The lease agreement (attached as Appendix E) is a vacant land lease: the lease allowed Charles Wright to build a hangar on, and have exclusive use of, Lot 26 at the Airport. In exchange, the City receives annual compensation (rent).

At the Council Meeting of the 24<sup>th</sup> day of September 2019, Council adopted the following resolution:

### **CR2019-549**

**That** Report RS2019-028, **Proposed Lease Agreements between the City of Kawartha Lakes and Tenants for 8 Hangar Spaces at Kawartha Lakes Municipal Airport**, be received;

**That** notwithstanding Section 3.05 Public Notice of Disposition By-law 2018-020, which section requires that disposition by long term lease be advertised on the City website, local newspaper and on-site for a 3 week period prior to declaration of surplus by Council, that Council waive this requirement;

**That** the property identified in Appendix B be declared surplus for long term lease; and

**That** the Mayor and Clerk be authorized to execute 8 Lease Agreements attached as Appendix A on behalf of the Corporation of the City of Kawartha Lakes, being proposed vacant land Lease Agreements with interested parties for the purpose of the tenants constructing and leasing hangar space at the Kawartha Lakes Municipal Airport, each for a 25 year term.

## **Carried**

Charles Wright terminated the Lease Agreement informally in August 2020. Staff is proposing The City of Kawartha Lakes enter into a new lease agreement with Camber Construction Inc. and 2745502 Ontario Inc. dated the 1<sup>st</sup> day of September 2020 (attached as Appendix G). The lease agreement (attached as Appendix G) is a vacant land lease: the lease allowed Camber Construction Inc. and 2745502 Ontario Inc. to build a hangar on, and have exclusive use of, Lot 26 at the Airport. In exchange, the City receives annual compensation (rent). Camber Construction Inc. and 2745502 Ontario Inc. constructed the hangar on Lot 26 on the 25<sup>th</sup> day of May 2021.

Camber Construction Inc. and 2745502 Ontario Inc. has requested to terminate (attached as Appendix F) the vacant land lease agreement with the City of Kawartha Lakes because they would like to exercise Section 16 a. of the lease agreement to sell the constructed hangar to 449974 Ontario Limited.

The purpose of this report is to obtain Council approval for the Mayor and Clerk to execute the lease agreement between the City of Kawartha Lakes and Camber Construction Inc. and 2745502 Ontario Inc. to provide Camber Construction Inc. and 2745502 Ontario Inc. the authorization to change the ownership to 449974 Ontario Limited of the hangar on Lot 26 at the Airport. Council approval for the Mayor and Clerk to execute a lease agreement between the City of Kawartha Lakes and 449974 Ontario Limited (attached as Appendix H) is required.

Realty Services is requesting permission from Council to authorize the City of Kawartha Lakes to enter into this agreement as it is altering the ownership of the original lease agreement from the previous Council decision and the term exceeds the delegated signing authority by-law 2016-009, section 5.03.

The lease agreements have been reviewed by the Manager of the Airport and it was recommended that the City proceed.

Appendix A is a location map, Appendix B is a map and Appendix C is an aerial map.

### **Rationale:**

Council provided authorization for The City of Kawartha Lakes to enter into a vacant land lease agreement with Charles Wright (attached as Appendix E) to allow for exclusive possession, to construct and to own a hangar, on Lot 26 at the Airport. Charles Wright did not initiate construction of a hangar on Lot 26 at the Airport before terminating the lease agreement.

Camber Construction Inc. and 2745502 Ontario Inc. expressed an interest in entering into a vacant land lease agreement with the City of Kawartha Lakes (attached as Appendix G) to allow for exclusive possession, to construct and own a hangar, on Lot 26 at the Airport. Camber Construction Inc. and 2745502 Ontario Inc. completed the construction of the hangar on Lot 26 at the Airport on the 25<sup>th</sup> day of May 2021. Camber Construction Inc. and 2745502 Ontario Inc. has agreed to the terms and executed the lease agreement (attached as Appendix G). Staff is requesting Council to authorize The City of Kawartha Lakes to enter into a lease agreement with Camber Construction Inc. and 2745502 Ontario Inc. (attached as Appendix G).

Camber Construction Inc. and 2745502 Ontario Inc. has a conditional offer with 449974 Ontario Limited for the hangar on Lot 26 at the Airport. Camber Construction Inc. and 2745502 Ontario Inc. provided a termination letter (attached as Appendix F) and is requesting the City to transfer the vacant land lease from Camber Construction Inc. and 2745502 Ontario Inc. to 449974 Ontario Limited. 449974 Ontario Limited has agreed to the terms and executed the lease agreement (attached as Appendix H). Staff is requesting Council to authorize The City of Kawartha Lakes to enter into a lease agreement with 449974 Ontario Limited (attached as Appendix H).

### **Other Alternatives Considered:**

Council could decide not to proceed with the transfer of the vacant lease agreement, but this decision is not recommended by staff because within Section 16 a of the lease agreement it allows for transfer with the City's consent.

### **Alignment to Strategic Priorities**

The recommendations set out in this Report align with the strategic priority identified as Good Government and more specifically effective management of the municipal building and land portfolio.

### **Financial/Operation Impacts:**

The revenue remains the same as identified within the Lease Agreement and the previous report.

### **Consultations:**

Airport Manager

City Solicitor

Juan Rojas

### **Attachments:**

Appendix A – Location Map



Appendix A -  
Location Map.pdf

## Appendix B – Map



Appendix B -  
Map.pdf

## Appendix C – Aerial Map



Appendix C -  
Aerial.pdf

## Appendix D – Map of Lots at the Airport



Appendix D - Lots  
at the Airport.pdf

## Appendix E – Lease Agreement with Charles Wright



Appendix E - Lease  
Agreement - Charles

## Appendix F – Termination Letters from Camber Construction Inc. and 2745502 Ontario Inc.



Appendix F -  
Termination Letter fr

## Appendix G – Lease Agreement with Camber Construction Inc. and 2745502 Ontario Inc.



Appendix G - Lease  
Agreement - Lot 26 -

## Appendix H – Lease Agreement with 449974 Ontario Limited



Appendix H - Lease  
Agreement with 449

## Appendix I – By-Law Authorizing Execution of Two Lease Agreements



Appendix I - Draft  
By-Law 2021-XXX - A

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**Department Head: Robyn Carlson**

**Department File: L17-20-RS072**