



Council Report

Report Number: RS2024-055

Meeting Date: December 10, 2024

Title: **Proposed Lease Agreement between 15740622 Canada Inc. and The Corporation of the City of Kawartha Lakes at the Municipal Airport**

Description: The Lease Agreement Pertains to Office Space, Trailer Space, and Aircraft Tie-Downs at the Municipal Airport, 3187 Highway 35 North, Lindsay.

Author and Title: Christine Oliver, Law Clerk – Realty Services

Recommendations:

That Report RS2024-055, **Proposed Lease Agreement between 15740622 Canada Inc. and The Corporation of the City of Kawartha Lakes at the Municipal Airport**, be received;

That the Lease Agreement attached as Appendix A to Report RS2024-055, be approved;

That the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this agreement; and

That the necessary By-Law, as outlined in Appendix B to Report RS2024-055, be brought forward for adoption.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

1574022 Canada Inc. has been occupying space at the Kawartha Lakes Municipal Airport, located at 3187 Highway 35 North, Lindsay, for the purpose of operating a flight training school and conducting aircraft maintenance. The proposed lease agreement (attached as Appendix A) formalizes their current occupancy. The lease includes interior office space and storages spaces (layout attached as Appendix F), land use for a trailer to be used as additional office space, and 10 aircraft tie-down spaces. The lease is backdated to January 1, 2024 (to reflect the Tenant's occupancy date), and will terminate on December 31, 2028.

Annual rent for the office space is \$22,800.00, plus HST. The rent shall increase annually based on the Consumer Price Index (CPI). In addition, the Tenant is responsible for their proportionate share of the property taxes and utilities. The Tenant is also responsible for Additional Rent, which includes \$1,195.20 for an office trailer and \$8,400.00 for 10 tie-down spots. The additional rent is subject to HST and an annual CPI increase.

The Airport Manager has reviewed and recommended these terms.

The purpose of this report is to provide Council with an opportunity to consider the terms of the proposed Lease Agreement and for Council to provide direction required to execute this Agreement. The following supporting documents are attached for reference: Appendix A: Lease Agreement; Appendix B: By-Law; Appendix C: Location Map; Appendix D: Map; Appendix E: Aerial Map; and Appendix F: Map of Occupied Space.

Rationale:

This lease agreement enables 15740622 Canada Inc. to utilize multiple areas at the Municipal Airport for a five-year term. The agreement provides the City with annual revenue, indexed by CPI, and was recommended by the Airport Manager. The annual revenue surpasses the City Solicitor's delegated signing authority under By-law 2016-009, Section 5.03. Approval will ensure continued use by 15740622 Canada Inc., supporting the airport's role in flight training and maintenance services.

Other Alternatives Considered:

Council could direct that the Lease Agreement not be approved. This is not recommended as 15740622 Canada Inc. has occupied these spaces since January 1, 2024.

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 annual rent is \$22,800.00 for 2,700 square feet of office and storage space, calculated at \$8.44 per square foot, with an annual adjustment based on the Consumer Price Index (CPI). Additionally, 15740622 Canada Inc. is responsible for paying its proportionate share of taxes and utilities based on the square footage they occupy. For exterior space, 15740622 Canada Inc. utilizes a 720-square-foot area for an office trailer, with rent set at \$1.66 per square foot, totaling \$1,195.20 annually. They also utilize ten (10) tie-down spaces, contributing an additional \$8,400.00 annually. In total the City will net a revenue of \$32,395.20 per year, increasing annually by CPI.

Consultations:

City Solicitor
Director of Engineering

Attachments:

Appendix A – Lease Agreement



Appendix A – Lease
Agreement

Appendix B – By-Law



Appendix B -
By-Law to Authorize

Appendix C – Location Map



Appendix C -
Location Map

Appendix D – Map



Appendix D – Map

Appendix E – Aerial Map



Appendix E - Aerial
Map

Appendix F – Map of Occupied Space at the Municipal Airport



Appendix F -
Lindsay Airport

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Department Head: Robyn Carlson

Department File: L17-23-RS205