



YLW

Kelowna International Airport

Northland Properties Corporation Sublease

October 3, 2022



Northland Properties Corporation Sublease

- ▶ Aligned with 2045 Master Plan
 - ▶ Improved customer service
- ▶ Aligned with Agricultural Land Commission feedback
- ▶ Expression of Interest
 - ▶ 3 phases
 - ▶ Northland Properties Corporation selected as the successful proponent

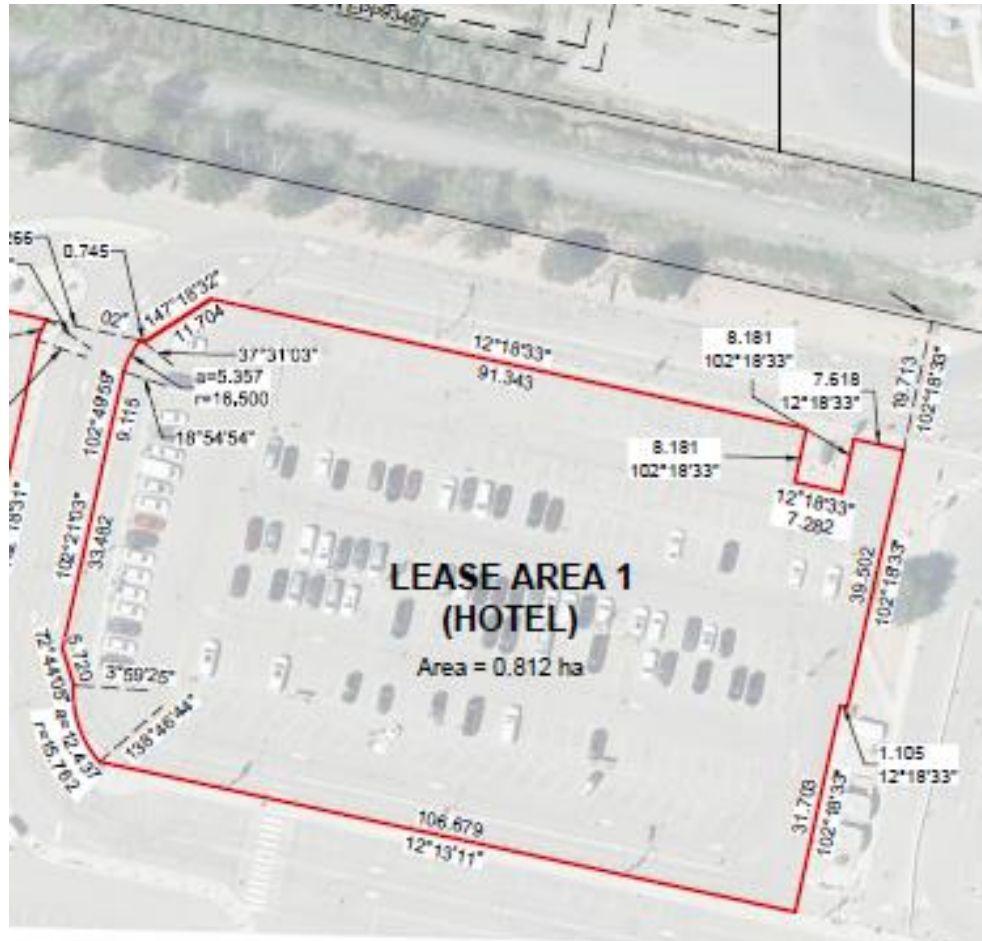
Northland Properties Corporation

- ▶ Canada's largest privately owned hospitality company
 - ▶ Incorporated in 1963
 - ▶ 5 countries
 - ▶ 10,000 employees
 - ▶ 63 hotels and resorts
 - ▶ 175 restaurants and venues
 - ▶ 3 hockey teams

Northland Properties Corporation

- ▶ Foundation of success
 - ▶ Talented individuals who build and create its unforgettable guest experiences
 - ▶ Guests who choose to experience its hospitality

Northland Properties Corporation Sublease



Northland Properties Corporation

▶ Sutton Place Hotel



Northland Properties Corporation

▶ Sutton Place Hotel



Northland Properties Corporation

▶ Sutton Place Hotel



Northland Properties Corporation

▶ Sutton Place Hotel



Northland Properties Corporation

▶ Sutton Place Hotel



Proposed Sublease Terms

- ▶ Land tenure type
 - ▶ Land sublease
- ▶ Term
 - ▶ To December 31, 2054
 - ▶ Options to renew – aligned with Head Lease
 - ▶ Maximum term of 99 years

Proposed Sublease Terms

▶ Rent

- ▶ \$500k deposit - upon execution
- ▶ \$2.07M - when NPC's conditions precedent are satisfied or waived
- ▶ \$110k – annually for 40 years commencing on the date the construction of the hotel reaches substantial completion

Proposed Sublease Terms

▶ Construction

- ▶ Commence within 18 months of the City removing its conditions precedent
- ▶ Substantially complete within 54 months of the City removing its conditions precedent

▶ Structures and Improvements (upon expiry or termination)

- ▶ Become the property of the City
- ▶ Demolition fund

Proposed Sublease Terms

▶ Parking

- ▶ NPC to construct 105 surface parking stalls
- ▶ Upon a parkade being built
 - ▶ Exclusive use at no charge
 - ▶ 146 parking stalls less the number of surface parking stalls constructed
 - ▶ Employees
 - ▶ Patrons of the hotel while staying at the hotel
 - ▶ Non-exclusive basis at 70% of the daily rate
 - ▶ Patrons of the hotel while staying at the hotel
 - ▶ Limited up to 44 parking stalls at any one time
 - ▶ Non-exclusive use at no charge
 - ▶ Patrons of the restaurant
 - ▶ Up to 2 hours

Proposed Sublease Terms

- ▶ City's Conditions Precedent
 - ▶ Within 90 days of execution of the hotel sublease
 - ▶ Cost of providing utility services and relocating a utility easement
 - ▶ Within 90 days of execution of the hotel sublease
 - ▶ Parkade sublease

Proposed Sublease Terms

▶ NPC's Conditions Precedent

- ▶ Within 90 days of the City removing its conditions precedent
 - ▶ Satisfied with the results of all searches, reviews and investigations
- ▶ Within 15 months of the City removing its conditions precedent
 - ▶ Receipt of development and building permit approval for the construction of the hotel
- ▶ Within 100 days of execution of the hotel sublease
 - ▶ Satisfied, acting reasonably, with parking arrangements
 - ▶ Waived if a parkade agreement is entered into

Proposed Sublease Terms

▶ Other

- ▶ Hotel meeting room facilities can be used up to 6 times per year for City-related events
- ▶ 25 free stays per calendar year for business development and related business purposes



Kelowna International Airport

Questions?

For more information, visit ylw.kelowna.ca.