

NO: R131

COUNCIL DATE: July 8, 2024

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 3, 2024**

FROM: **General Manager, Engineering
General Manager, Parks, Recreation & Culture**

FILE: **0930-30/492**

SUBJECT: **Ports Kells Boxing Club Lease of Basement Premises of the Port Kells
Community Hall at 18918 – 88 Avenue**

RECOMMENDATION

The Engineering Department and the Parks, Recreation & Culture Department recommend that Council:

1. Receive this report for information; and
2. Approve the execution by the General Manager, Engineering of a three-year lease agreement with Brendan Kim dba Port Kells Boxing Club on the terms and conditions contained in this report to allow the Boxing Club's continued occupancy and use of basement space within the Port Kells Community Hall located on the City property at 18918 – 88 Avenue, as shown in Appendix "I" attached to this report.

INTENT

The purpose of this report is to seek Council's approval to enter into a new three-year lease agreement (the "Lease") with Brendan Kim dba Port Kells Boxing Club (the "Boxing Club") to allow the Boxing Club to continue activities within a portion of the basement area of the Port Kells Community Hall (the "Community Hall") on the City property at 18918 – 88 Avenue (the "Property").

BACKGROUND

The Property is a 9,035 m² (2.2 acre) land parcel, improved with the Community Hall building that measures approximately 509.8 m² (5,487 ft²) of main floor space and 148.5 m² (1,598 ft²) of developed basement area.

The Boxing Club is a long-term tenant of a 108.3 m² (1,166 ft²) portion of the basement area (the "Premises"). Images of the interior space are attached as Appendix "II". The City assumed the Boxing Club tenancy from the Port Kells Community Association when it relinquished operation and management of the Community Hall to the City in 2021.

The Boxing Club is a non-profit, competitive, recreational organization that focuses primarily on teaching youth seeking to compete in amateur boxing. Its coaching staff are volunteers, and the club is listed as a chartered member of Boxing BC, the governing body for amateur boxing in British Columbia.

DISCUSSION

In 2022, the City granted the Boxing Club a one-year term licence agreement, which ended on January 31, 2023. The Boxing Club has continued its operation on a month-to-month basis under the terms and conditions of the prior licence agreement, a summary of which is attached to this report as Appendix “III”.

The Boxing Club wishes to continue to utilize the Premises, however, it has expressed hardship in maintaining the rent obligations. The Boxing Club is currently seeking a grant in lieu of rent. It is proposed that the City grant the Boxing Club a three-year lease commencing July 1, 2024 of the Premises at the estimated market base rent of \$3,600 per year, as determined by an accredited staff appraiser.

FUNDING

Based on the appraisal, the annual rent for the proposed three-year lease to Port Kells Boxing Club is \$3,600 per year. It is expected that, as a non-profit organization, Port Kells Boxing Club will apply to Council for an annual grant-in-lieu of rent under the City’s policy for leasing of City lands and buildings. This policy requires that City leases to non-profit organizations at fair market value with the ability for such organizations to apply for grants-in-lieu of rent. If approved, funding for this lease-in-kind will be included in the annual City Grants budget.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the execution by the General Manager, Engineering of a lease agreement with Brendan Kim dba Port Kells Boxing Club that will allow the Boxing Club to continue to use the Premises for non-profit recreational purpose.

Scott Neuman, P.Eng.
General Manager,
Engineering

Laurie Cavan
General Manager,
Parks, Recreation & Culture

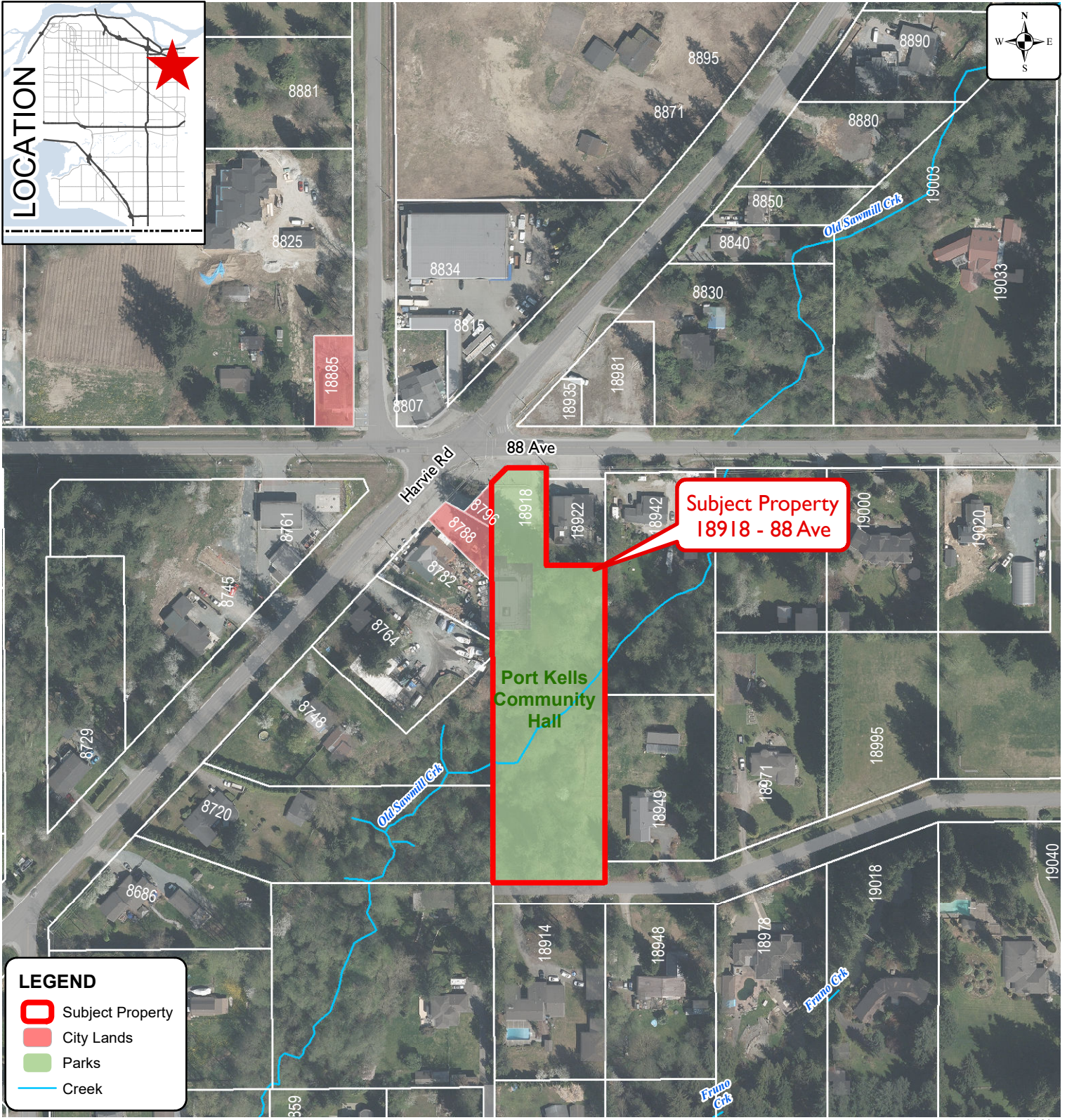
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Appendix “I” - Aerial Photo of Site

Appendix “II” - Images of Interior Space

Appendix “III” – Summary of Lease Agreement Terms and Conditions

AERIAL PHOTOGRAPH OF SITE APPENDIX "I"



LEGEND

- Subject Property
- City Lands
- Parks
- Creek

Produced by GIS Section: 20-Jun-2024

Date of Aerial Photograph: 2023

Scale: 1:2,500 0 20 M



**Subject Property
18918 - 88 Avenue**

**ENGINEERING
DEPARTMENT**

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.

Images of Interior Space



APPENDIX “III”

SUMMARY OF LEASE AGREEMENT TERMS AND CONDITIONS

The existing agreement covering part of the Basement Premises of Port Kells Community Hall to the Port Kells Boxing Club expired on January 31, 2023. The proposed lease grant to the Boxing Club will have the following terms:

1. Landlord: City of Surrey
2. Tenant: Brendan Kim dba Port Kells Boxing Club
3. Leased Premises: 1,166 ft.² basement space
4. Term: 3 years commencing on July 1, 2024
5. Based Rent: \$3,600.00 per annum (\$3.08 per ft.²)
6. Additional Rent: Tenant to pay a proportionate share of utilities for the building.
7. Maintenance: (i) Cleaning and general maintenance of leased premises by the Tenant,
(ii) Maintenance of the community hall building by the City.
8. Insurance: (i) Building by the Landlord,
(ii) Contents by Tenant,
(iii) Tenant’s general liability insurance with City as additional insured.

AW/kd