



Corporate Report

NO: R239

COUNCIL DATE: November 24,

2003

REGULAR COUNCIL

TO: **Mayor &
Council** DATE: **November 12,
2003**

FROM: **General Manager,
Engineering** FILE: **0930-30/129**

SUBJECT: **Lease of Office Space At Surrey Professional
Building**
Unit #206, 10340 - 134A Street

RECOMMENDATION

That Council approve the lease of City-owned office space located at Unit #206, 10340 134A Street, to Dr. Elgin Duke Inc. for a term of three years, with a three year renewal option.

BACKGROUND

The subject premises is a $\pm 1,876$ ft.² second floor office suite, which is one of six suites located within the two-storey structure known as the Surrey Professional Building. The two-storey building consists of six demised offices and has a total leasable floor area of $\pm 10,045$ ft.². The existing lease of the subject premises to Dr. Elgin Duke Inc. expires on December 31, 2003. The property is zoned C-8 (Community Commercial) and is designated City Centre in the Official Community Plan.

DISCUSSION

Dr. Elgin Duke has been operating a dental clinic in the subject premises since the building was constructed in 1977. As the existing lease is nearing expiry, Dr. Duke has requested that the City consider a new three year lease of the premises with one, three year renewal option.

The negotiated base rent for the premises reflects an increase over the previous term, with a further increase for the three year option period. These rates reflect current and expected market rates for similar office space in the Whalley area. The lease is a triple net lease in which the tenant, in addition to the base rent, is responsible for common area costs including taxes, utilities and maintenance. The common area maintenance charges will continue to be reviewed on an annual basis.

CONCLUSION

The existing lease of the subject premises to Dr. Elgin Duke Inc. expires on December 31, 2003. Dr. Duke has requested a new lease of the premises for a three year term with one, three year renewal. As the terms of the

negotiated lease agreement propose an increase in the rental rates that are reflective of market rates, it is recommended that Council approve the lease of $\pm 1,876$ ft.² of office space at Unit #206, 10340 - 134A Street to Dr. Elgin Duke Inc. for a three year term, with a three year renewal option.

Paul Ham, P.Eng.
General Manager, Engineering

KSW/mpr

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Appendices:

- I. Site Map
- II. Aerial Photograph of Site