

Corporate Report

NO: R104

COUNCIL DATE: May 10, 2004



REGULAR COUNCIL

TO: **Mayor &
Council** DATE: **April 28,
2004**

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

SUBJECT: **Lease of City-Owned Office Space - Surrey
Professional Building 10340 134A Street**

RECOMMENDATION

That Council approve a new lease of City-owned office space located at Unit #102 10340 - 134A Street to Dr. D.J. Maxwell Chiropractor, Inc. for a 3-year term, with 3-year, mutually agreeable option term.

BACKGROUND

The subject premises is a ±2,576 ft.² ground 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 has a total leasable floor area of ±10,045 ft.². The existing lease of the subject premises to Dr. D.J. Maxwell Chiropractor, Inc. expired on December 31, 2003. This business is now operating on a month-to-month tenancy. The property is zoned C-8 (Community Commercial) and is designated City Centre in the Official Community Plan.

Dr. Maxwell has been operating a chiropractic and physiotherapy clinic in the subject premises since the building was constructed in 1977. As the existing lease has expired, Dr. Maxwell has requested that the City consider a new 3-year lease of the premises with one 3-year renewal option that requires the consent of both parties.

DISCUSSION

City Realty staff have negotiated base rent for the premises, which is at the same as the previous rental rate, but with an increase for the 3-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 a proportionate share of 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. D.J. Maxwell Chiropractor, Inc. expired on December 31, 2003. Dr. Maxwell has requested a new lease of the premises for a 3 year term, with one 3-year renewal option. As the terms of the negotiated lease agreement are reflective of market rates, it is recommended that Council approve the lease of

±2,576 ft.² of office space at Unit #102, 10340 - 134A Street to Dr. D.J. Maxwell Chiropractor, Inc. for a 3-year term, with a 3-year, mutually agreeable renewal option.

Paul Ham, P.Eng.
General Manager, Engineering

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Appendices:

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