



Corporate Report

NO: R168

COUNCIL DATE: July 5, 2004

REGULAR COUNCIL

TO: **Mayor &
Council** DATE: **June 30,
2004**

FROM: **City Solicitor** FILE: **0930-30-178**

SUBJECT: **Amendment to Lease Agreement between the
City of Surrey and Orangeville Raceway Ltd. –
Cloverdale Fairground Casino site**

RECOMMENDATION

It is recommended that Council approve an amendment to the lease between the City of Surrey and Orangeville Raceway Ltd. ("Fraser Downs") in a form satisfactory to the City Solicitor to extend by 30 days, from 90 days to 120 days after the lease commencement date of April 1, 2004, the period of time allotted for Fraser Downs to obtain a building permit for the construction of all improvements to the site that are required under the terms of the lease.

BACKGROUND

On April 1, 2004 the City entered into a lease with Fraser Downs for the operation of a Racetrack and Casino on ±42 acres of City land within the Cloverdale Fairgrounds (the "Lease"). Under the terms of the Lease, Fraser Downs is responsible for obtaining a building permit for the construction of all of the site improvements that are required under the terms of the Lease (i.e., \$25,000,000 worth of site improvements) within 90 days from the Lease commencement date of April 1, 2004. Fraser Downs then has 365 days to substantially complete all of the site improvements with the permanent casino to be open by July 1, 2005.

DISCUSSION

The temporary casino is now open to the public with 200 slot machines, and construction is moving ahead on parts of the permanent casino. However, consultants working on behalf of Fraser Downs have not fully completed the preparation of building plans for all of the building and site improvements for the full permanent casino. Completion of these plans is expected in the next few days at which time they will be submitted to the Building Division as part of a complete building permit application. Building Division staff will need some time to review the plans prior to issuance of the building permit prior to the end of July 2004. Fraser Downs has confirmed that they intend to complete construction and open the permanent casino facility by July 1, 2005 in accordance with the requirements of the Lease.

CONCLUSION

Based on the information provided by Fraser Downs, it is recommended that Council approve an amendment to the Lease between the City of Surrey and Orangeville Raceway Ltd. in a form satisfactory to the City Solicitor to extend by 30 days, from 90 days to 120 days after the lease commencement date of April 1, 2004, the period of time allotted for Fraser Downs to obtain a building permit for the construction of all improvements to the site that are required under the terms of the Lease.

CRAIG MacFARLANE
City Solicitor

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cc: City Manager

General Manager, Planning and Development
General Manager, Engineering