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Corporate Report

NO: R162

COUNCIL DATE: June 27, 2005

REGULAR COUNCIL

Mayor &

Council

DATE: June 23,

2005

FROM: General Manager,

Engineering

FILE: 0930-30/174

SUBJECT: Lease of City-Owned Property at

10352 134A Street

RECOMMENDATION

That Council approve a new lease of the City-owned property located at 10352 134A Street to Lordco Parts Ltd. for a 5 year term commencing on May 1, 2005.

BACKGROUND

The City property located at 10352 - 134A Street is a 21,506 ft.² site, improved with a 32 year old, single storey, 11,237 ft.² commercial building. It is zoned C-8 (Community Commercial) and designated City Centre in the Official Community Plan.

Lordco Auto Parts (Lordco) was one of two tenants occupying the subject property when the City purchased it in March 1997. Lordco extended its retail outlet operations over the entire property when the other tenant vacated its space in May 2000. The existing lease of the entire property to Lordco has expired and the tenant has asked that the City grant them a new lease.

DISCUSSION

City Realty staff have negotiated base rent for the premises at a level that reflects current market rates for similar commercial space in the City Centre. The lease is a triple net lease in which the tenant, in addition to the base rent, is responsible for common area costs. The common area maintenance charge is calculated on the actual annual cost.

Similar to the existing lease, the new lease will have a demolition clause allowing the City to give the tenant 9 months notice to vacate in the event the property is required for redevelopment.

CONCLUSION

The existing lease of 10352 - 134A Street has expired and the tenant, Lordco, has requested a new lease, and staff have negotiated a new 5 year lease on terms that are reflective of the market. It is therefore recommended that Council approve the lease of the City property located at 10352 - 134A Street to Lordco Auto Parts for a 5 year term

commencing May 1, 2005.

Paul Ham, P. Eng. General Manager, Engineering

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Appendices:

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