



Corporate Report

NO: R061

COUNCIL DATE: APRIL 2, 2007

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **March 26, 2007**

FROM: **General Manager, Parks, Recreation & Culture** FILE: **0930-30/094**
General Manager, Engineering

SUBJECT: **Lease of City Land at South Surrey Athletic Park**
to the BC Amateur Softball Association

RECOMMENDATION

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

1. Receive this report as information; and
2. Approve a new lease of ± 17.5 acres of City-owned land within the South Surrey Athletic Park to the BC Amateur Softball Association (the Association) for a term of 8 years.

BACKGROUND

In 1988 the City entered into a 5-year lease agreement with four, 5-year renewal options with the Association for the construction and operation of the Softball City complex.

By the early 1990's, the Association at their own cost had constructed a lighted, four field softball facility. The facility includes bleacher seating, practice facilities, parking and a substantial field house with offices, public restrooms, change rooms, restaurant and bar. The Association has operated the facility without subsidy from the City since opening.

The lease agreement with the Association is comparable in some aspects to the agreement with Tong Louie Surrey Family YMCA (Y) whereby the City acquired land and worked with the Y to bring a facility to Surrey as an amenity for the community. The Y operates at arms length from the City and finances all operating costs; the community greatly benefits from the amenity being in the community. Similarly, the Association developed the Softball City Complex covers all maintenance and operating costs and the community benefits from the access to the facility. The development of agreements that leverage City assets such as land with resources from non-profit organizations can result in many community benefits with reduced financial burden on City capital and operating resources.

Softball City caters primarily to adult leagues and tournaments, and also is the principal venue for the prestigious Canada Cup Women's Fastball Tournament, which is held annually each July.

The existing lease is currently in its third renewal term, and if the Association exercises the last renewal term, the lease will expire on November 30, 2013. The Softball City complex is situated in the northeast corner of the South Surrey Athletic Park. This ±80 acre park was set aside for park purposes in the 1988 referendum that also set aside the remainder of Sunnyside Acres Park as Urban Forest Park.

DISCUSSION

The Association has now requested a 2-year extension to their lease agreement for mortgage financing purposes. As the existing 1988 lease agreement is dated and deals mainly with the construction of the softball facility, staff would prefer that the City and the Association terminate the existing agreement and enter into a new 8-year agreement.

Under the terms of the proposed lease agreement, the Association will have an 8-year lease. At the termination of the lease, the City may either take ownership of the softball complex at no cost or require the Association to remove the improvements.

At the request of the Parks, Recreation & Culture Department, the Association has agreed to relinquish a ±1.5 acre portion of their lease area for public parking purposes. As well, they have agreed to rent one of their diamonds to the City for minor softball purposes.

CONCLUSION

The Association has requested a 2-year extension to their lease of land from the City, which will expire in 2013. In order to bring the terms of the agreement up to date, staff have suggested a new 8-year lease agreement. The Association is in agreement with this proposal. As the operation of this facility by the Association provides recreational services at no cost to the City, it is recommended that Council approve a new lease agreement with the Association.

Laurie Cavan
General Manager
Parks, Recreation & Culture

Paul Ham, P. Eng.
General Manager, Engineering

KSW/OCC/mpr

c.c. City Solicitor

Appendices

I. Aerial Photo showing proposed the Association lease area