



Corporate Report

NO: R040

COUNCIL DATE: March 31, 2008

REGULAR COUNCIL

TO: Mayor & Council DATE: March 26, 2008
FROM: General Manager, Engineering FILE: 0930-30/093
SUBJECT: Amendment of Lease of City Property Located at
10601, 10605 & 10655 City Parkway (BC Lions Football Club)

RECOMMENDATION

The Engineering Department recommends that Council approve an amendment of the lease of the City premises located at 10601, 10605 & 10655 City Parkway to the BC Lions Football Club Inc. to extend the termination date of the agreement by three years from December 31, 2009 to December 31, 2012.

BACKGROUND

In 1983 the City sold the then unimproved properties located at 10601 & 10605 City Parkway to the BC Lions Football Club (Lions). In 1991 the City purchased the lands and building back from the BC Pavilion Corporation (PAVCO) who purchased the property from the Lions as a result of financial difficulties. As part of the City's purchase agreement with PAVCO, there was a covenant registered on the playfield area, which expires in 2016. This covenant allows PAVCO to retain the sum of 60% of the amount by which the value (upon sale or redevelopment) exceeds the City's 1991 purchase price. The covenant does allow the City to carry on with the current use of the land (BC Lions practice facility) or use it for other civic recreational purposes.

Since acquiring the lands in 1991, the City has leased the properties to the Lions for use as their head office and training facility. In April 2007, Council approved the current three year lease of the subject lands to the Lions. The three year lease expires on December 31, 2009.

The ± 2.45 acre portions of the properties located at 10601 & 10655 City Parkway are currently zoned CPR (Commercial Recreation) and are improved with a grass practice field and fencing. The ± 0.8 acre property located at 10605 City Parkway is currently zoned C-8 (Community Commercial) and is improved with a $\pm 22,500$ ft.², two storey office building. Both properties are designated City Centre in the OCP.

DISCUSSION

The Lions have requested to extend their tenure on the site by adding a three year extension to the lease, which will allow them to retain their operations at this location through 2012.

Under the terms of the existing lease, the Lions are responsible for the day-to-day maintenance of the building, with the City being responsible for the structural repairs and capital replacements (e.g. HVAC, roofing) to the premises. The Lions are also required to commit to a pre-determined level of community involvement on an annual basis. The rental rate for the proposed three year extension will be at the then prevailing market rates. The lease extension provides for a termination of the lease upon one year's written notice by other party.

CONCLUSION

The Lions are currently in the middle of a three year lease of the City premises located at 10601, 10605 & 10655 City Parkway. In order to secure a longer tenure at this location, the Lions have requested a three year extension to their existing lease term. As there are no short term plans for the subject premises and the lease provides for continued participation by the Lions in Community events and programs within Surrey, it is recommended that Council approve the three year extension of the lease to the BC Lions Football Club Inc.

Paul Ham, P. Eng.
General Manager, Engineering

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Appendices:

I. Aerial Photograph of Site