

# CORPORATE REPORT

NO: R228 COUNCIL DATE: December 14, 2009

#### **REGULAR COUNCIL**

TO: Mayor & Council DATE: December 4, 2009

FROM: General Manager, Engineering FILE: 0930-30/118

SUBJECT: Lease of Office Space in the North Surrey Recreation Centre at 10275 City

Parkway to Paul Moon Physiotherapist Corporation

#### RECOMMENDATION

The Engineering Department recommends that Council approve a new 5 year lease to Paul Moon Physiotherapist Corporation of 1,142 ft.<sup>2</sup> (106 m<sup>2</sup>) of office space within the North Surrey Recreation Centre with the lease commencing on November 1, 2009.

#### **BACKGROUND**

The Paul Moon, Physiotherapist Corporation (the tenant) currently leases from the City, office premises of 1,142 ft.<sup>2</sup> located on the second floor of the North Surrey Recreation Centre for use as an orthopaedic and physiotherapy clinic. This tenant commenced occupation of the leased space in November 2005 and is an assignee of a business that has been operating within the recreation centre since October 1992. The existing lease of the office space expired on October 31, 2009. Discussion with this Corporation has been delayed due to the planning surrounding the new City Hall. It is now appropriate to consider this lease extension.

### **DISCUSSION**

At the request of the tenant, the City has negotiated terms for a new 5 year lease of 1,142 ft.<sup>2</sup> of space for the tenant with the lease commencing on November 1, 2009. The tenant will pay a market-based lease rate that has been determined by a qualified appraiser and will be responsible for the payment of property taxes on the lease space.

The new lease will include termination provisions for either party to end the lease with twelve months' written notice. The lease will contain a right-of-first refusal provision for the tenant for any space that might be specifically designated for a physiotherapy clinic within the proposed redevelopment of North Surrey Recreation Centre or other new civic buildings within the City Centre.

All concerned City departments have been consulted on the lease proposal and there are no objections. The Parks Department is particularly supportive of a new lease to the existing tenant.

## **CONCLUSION**

The existing lease of the 1,142 ft.<sup>2</sup> second floor office space in the North Surrey Recreation Centre has expired. City staff and the tenant have negotiated a new 5 year lease on terms that are considered reasonable. It is recommended that Council approve a 5 year lease to Paul Moon Physiotherapist Corporation.

Vincent Lalonde, P.Eng. General Manager, Engineering

WP/AW/mpr/brb/jkb

Appendix I: Aerial Photograph of Site

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