

NO: R105

COUNCIL DATE: May 17, 2010

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **May 13, 2010**

FROM: **General Manager, Engineering**

FILE: **0930-30/204**

SUBJECT: **Lease Renewal – Orion Health, Unit 120 – 16555 Fraser Highway**

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## RECOMMENDATION

The Engineering Department recommends that Council approve the renewal for a 5-year term of the lease with Orion Health Services Inc. of the City premises located at Unit 120, 16555 Fraser Highway.

## BACKGROUND

As part of the development of the Surrey Sports & Leisure Complex, the City constructed 13,200 ft.<sup>2</sup> of office/retail space as market rental space. Upon completion in 2000, the City entered into a 10-year lease agreement with Prism Rehabilitation for this entire market leasable area. Prism subsequently changed their name to Injury Management Solutions, which was then purchased by Orion Health Services Inc. (Orion) in 2007. The lease has provision for two, 5-year renewal terms, at Orion's option and at rents to be negotiated at the time of renewal.

Orion provides rehabilitation services to injured workers and individuals living within the Province of BC. They provide sport medicine, physiotherapy, chiropractic services, acupuncture and massage therapy. In addition, they offer "return to work" programs such as work conditioning, occupational rehabilitation and pain management. Primarily, their client base is from the Surrey area; however, based on the reputation of their programs and services, they receive referrals from throughout the province. Orion serves approximately 200 individuals a day in the subject Surrey facility.

Since opening this office Orion has worked closely with Parks Recreation and Culture staff to create a strong business relationship that allows Orion's customers to utilize the health and wellness benefits of the SSLC, which increases revenues for the SSLC.

## DISCUSSION

Staff has negotiated a renewal agreement with Orion for a 5-year renewal lease term commencing June 1, 2010 and ending May 31, 2015. The proposed rental rate is based upon an independent lease valuation prepared for the City by Edric Lum, AACI, an accredited appraiser with Hooker Craig Lum Garnett Real Estate Advisors.

## **SUSTAINABILITY CONSIDERATIONS**

The retention of Orion Health within the SSLC will assist in achieving one of the City economic sustainability goals (EC2) by fostering an environment that acts to retain and support existing businesses.

## **CONCLUSION**

Orion Health's tenancy at the SSLC has been mutually beneficial to the parties. The rate for the proposed 5-year lease renewal term is consistent with market rates. Based on the above, it is recommended that Council approve the renewal for a 5-year term of the lease to Orion of the premises located at #120 – 16555 Fraser Highway.

Vincent Lalonde, P.Eng.  
General Manager, Engineering

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Appendix I. Aerial Photograph of Site

# APPENDIX I AERIAL PHOTOGRAPH OF SITE



Produced by GIS Section: April 28, 2010, AW

Date of Aerial Photography: April 2009



**LEASE RENEWAL  
UNIT 120 - 16555 FRASER HWY  
ORION HEALTH**

**ENGINEERING  
DEPARTMENT**

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey.  
This information is provided for information and convenience purposes only.  
Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.

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