

NO: **R105**

COUNCIL DATE: **May 28, 2012**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **May 23, 2012**

FROM: **General Manager, Engineering**

FILE: **0930-30/370**

SUBJECT: **Proposed Lease Agreement with the Surrey Heritage Society for a Portion of the Former Surrey Museum Building on the Cloverdale Fairgrounds**

RECOMMENDATION

The Engineering Department recommends that Council authorize the appropriate City officials to execute a lease agreement as generally described in this report with the Surrey Heritage Society ("SHS") to allow the SHS to occupy for the purposes of a transportation exhibit centre ("the exhibit centre") a 5,000 ft.² area of building space in the former Surrey museum building located on the Cloverdale Fairgrounds, as illustrated in Appendix I attached to this report.

BACKGROUND

At its Regular meeting on April 2, 2012, Council received as information Corporate Report R007; 2011 regarding the request from the SHS to locate the exhibit centre in the former Surrey museum building. Council directed staff to work with the SHS on a temporary tenancy arrangement for the exhibit centre in the former Surrey museum building on Cloverdale Fairgrounds.

DISCUSSION

City staff and representatives from the SHS have now reached agreement on the terms and conditions of the proposed lease.

The current City policy regarding the leasing of City land and buildings to non-profit organizations is to lease the land/building at fair market value. As a non-profit organization, the SHS has the opportunity to apply to Council for an annual grant in lieu of rent. Based on rental valuation determination of the subject premises, the annual net rent for the proposed lease is \$24,000.

1. Main Lease Terms:

- Duration: 5 years (City may terminate agreement with 60 days notice)
- Rent: \$24,000 per annum
- Utilities: SHS responsibility
- Maintenance: SHS responsibility
- Security & Insurance: SHS responsibility

2. Operational Requirements:

The SHS agrees to be responsible for all costs associated with the leased premises, including insurance and the proportional share of the building's utility and maintenance costs. Operating hours and days open will be determined after the transportation exhibit collection has been put in place and is ready for public viewing. SHS is hoping to be operating weekends and on major special events like the Cloverdale Rodeo & Exhibition, Canada Day, and the Blueberry Festival.

SUSTAINABILITY CONSIDERATIONS

The leasing of the premises at 6022 – 176 Street (Highway 15) to the SHS will assist in achieving the objectives of the City's Sustainability Charter, including:

- developing a sense of place and belonging for the community through the introduction of a heritage transportation centre in Cloverdale;
- preserving significant heritage assets; and
- encouraging tourism and economic development opportunities.

The Project addresses the following action items in the City's Sustainability Charter:

- SC10 - Historical and Heritage Assets
- EC1 - Corporate Economic Sustainability

CONCLUSION

Based on the above discussion, it is recommended that Council authorize the appropriate City officials to execute a lease agreement as generally described in this report with the Surrey Heritage Society ("SHS") to allow the SHS to occupy for the purposes of a transportation exhibit centre ("the exhibit centre") a 5,000 ft.² area of building space in the former Surrey museum building located on the Cloverdale Fairgrounds as illustrated in Appendix I attached to this report.

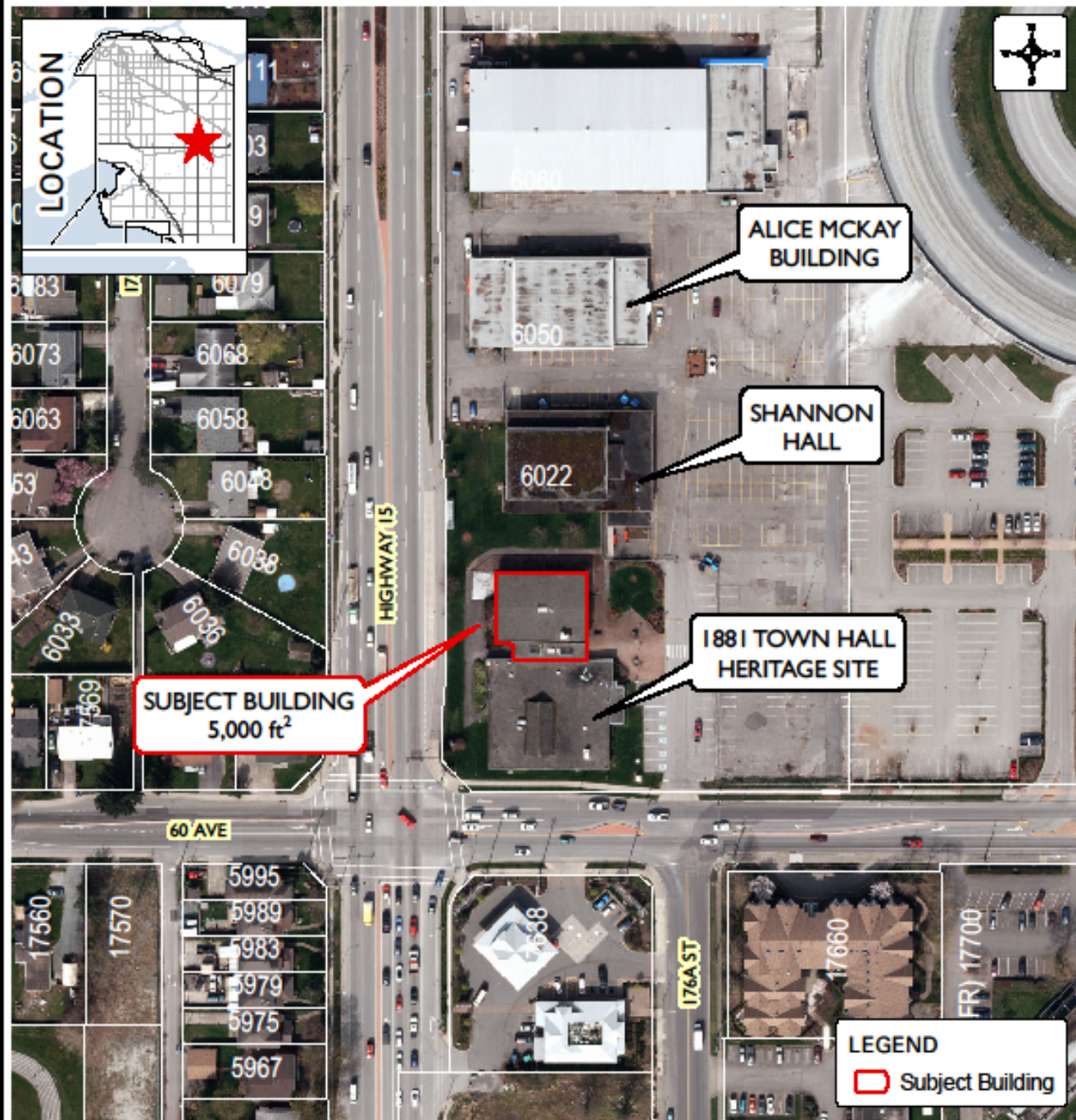
Vincent Lalonde, P.Eng.
General Manager, Engineering

KSW/amg

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Appendix I: Aerial Photo of Site – 6022 – Highway 15

APPENDIX I AERIAL PHOTOGRAPH OF SITE



Produced by GIS Section: February 9, 2012, AWB

Date of Aerial Photography: April 2011



**SUBJECT BUILDING
6022 HIGHWAY 15**

**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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