

NO: **R175**

COUNCIL DATE: **OCTOBER 20, 2014**

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **October 16, 2014**

FROM: **General Manager, Engineering**

FILE: **0930-30/382-1**

SUBJECT: **Lease of Portion of Old City Hall Campus to the Federal Government (RCMP)  
14245 - 56 Avenue**

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## RECOMMENDATION

The Engineering Department recommends that Council approve the execution by the appropriate City officials of a lease for the 5,044 ft<sup>2</sup> lower floor portion of the West Tower at the Old City Hall Campus (the "Premises") located at 14245 - 56 Avenue, as generally illustrated in Appendix I attached to this report, to Her Majesty the Queen in the Right of Canada, as represented by the Minister responsible for The Royal Canadian Mounted Police (the "RCMP") for a term of ten (10) years with two additional five (5) year options to renew, for a total of twenty (20) years, subject to compliance with the notice provisions of the *Community Charter*, S.B.C., 2003, Chap. 26.

## INTENT

City staff and the RCMP have reached agreement on the main terms and conditions of the lease, which will be for an initial ten (10) year term with two further options to renew of five (5) years & five (5) years, for a total of twenty (20) years, all at full market lease rates. Under the terms of the agreement the RCMP will initially occupy 3,500 ft.<sup>2</sup> of the third floor of the West Tower from November 1, 2014 until June 1, 2015 at which time they will move into the then vacant lower floor of the West Tower.

## DISCUSSION

City Staff have been working with the RCMP Deas Island Traffic Services Section of the RCMP for a number of months on lease location and details. The RCMP Deas Island Section patrols Hwy 99 from the border to the Oak Street Bridge as well as Hwy 91, 91A, 17A and partly on the new South Fraser Perimeter Road. The RCMP Deas Island Section consists of approximately twenty RCMP members and conducts enforcement of all traffic laws and responds to calls for collisions as well as any other call for assistance from the public.

The Premises are currently occupied by the City's Civic Facilities Division on an interim basis until March 2015. Once Civic Facilities has moved back to the new works yard facility the RCMP will have a three month fit up period and will move from the temporary third floor space into the Premises on June 1, 2015.

## **Old City Hall Lease Update:**

For marketing purposes staff have divided the Old City Hall premises into 4 main components:

- Civic Street: 44,711 ft<sup>2</sup> single storey northerly section constructed in 1982.
- South Tower: 56,837 ft<sup>2</sup> four storey, including basement, main tower constructed in 1961
- West Tower: 21,041 ft<sup>2</sup> three storey, including basement, tower constructed in 2006.
- North Annex: 9,512 ft<sup>2</sup> two storey stand-alone building located on the north side of 57 Avenue and constructed in 1968

### **Civic Street**

This area is fully leased to the Province for Crown Council and Community Corrections. Construction is over 50% complete and on schedule for Crown Council occupation on February 1, 2015. Crown Council will be occupying 34,254 ft.<sup>2</sup> of the Civic Street area with the remaining 10,457 ft.<sup>2</sup> to be allocated to Community Corrections at a later date.

### **South Tower**

The Surrey RCMP is currently in the process of updating a 2007 Surrey RCMP Expansion Study to assess and analyse its growth, service and space requirements over the next five (5), ten (10) & twenty-five (25) years. A review of this study indicates the short-term space shortfall to be approximately 32,557 ft.<sup>2</sup>, and the long-term shortfall to be approximately 76,882 ft.<sup>2</sup>. In 2013, \$36 million was identified in the City's Capital Plan for a new North Surrey Building in 2017/18 which would support the Surrey RCMP's long-term space requirements. In the 2014 Capital Budget the \$36 million was replaced by an annual contribution to reflect the leasing, over time, of the South Tower of the Old City Hall Campus by the Surrey RCMP.

City staff will report back to City Council at a later date with the Expansion Study conclusions and estimates for the South Tower building system upgrades and fit up costs for Surrey RCMP occupancy.

On a temporary basis City staff have also identified a small area of the South Tower premises for a child friendly waiting room operated by Sophie's Place. This area ensures children are separated from the accused and are in a more comfortable atmosphere prior to testifying at court. Staff will continue to work with Sophie's Place to identify a more permanent location for this use within the Justice Precinct.

Occupancy of Civic Street and the South Tower by the tenants as noted above will effectively result in a full lease-up of these premises.

### **West Tower**

Subject to Council approval of this report the lower floor of this building will be leased out long term to the RCMP Deas Island Traffic Division. City staff has temporarily provided office space on the second floor to the Surrey 2016 Organizing Committee for the ISF XV Women's World Softball Championship and to Operation Save H<sub>2</sub>O which is a program designed to educate residents, businesses, and schools about the importance of water conservation. Both of these temporary users are prepared to relocate on short notice once a permanent tenant is identified.

## North Annex

This building is currently listed for lease on the Fraser Valley Multiple Listing Services. There has been some interest in space within this building from child care operators but no offers to lease have been received as of the date of this report.

## Next Steps

If Council approves the recommendation of this report, pursuant to the Community Charter, a notice of the proposed lease to the Minister responsible for The Royal Canadian Mounted Police will be published in the local newspaper. Appropriate City officials will then execute the lease agreement with the RCMP.

## SUSTAINABILITY CONSIDERATION

The proposed lease of the Premises to the RCMP will assist in achieving some of the City's socio-cultural and economic scope actions as articulated specifically within the Surrey Sustainability Charter. These include:

- (SC19): "The City will work cooperatively with senior levels of government in social infrastructure investments into Surrey"; and
- (EC4): By retaining the land through lease the City is "employing sound accounting and financial management practices and structures".

## CONCLUSION

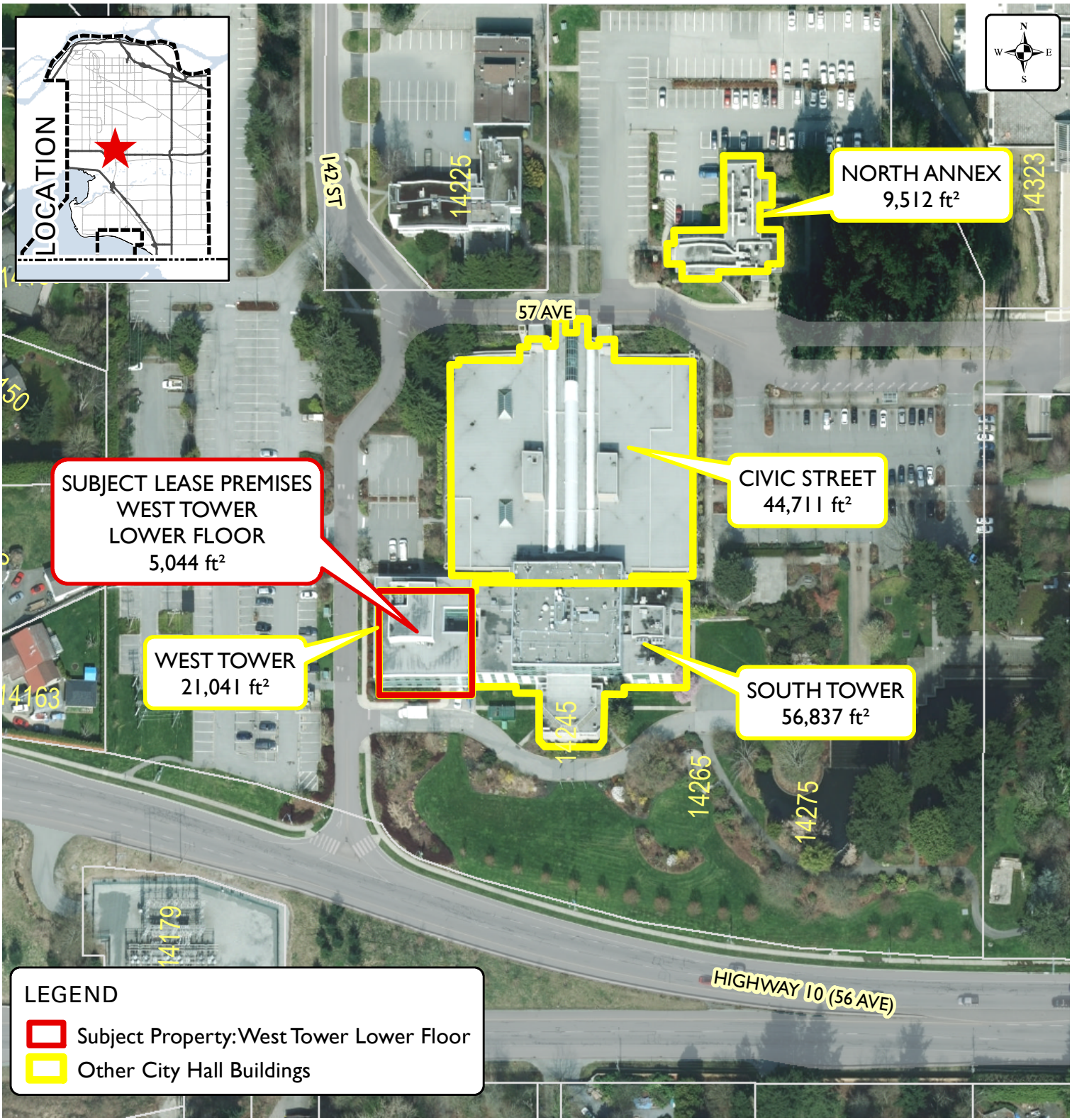
Based on the above, it is recommended that Council approve the lease of the 5,044 ft<sup>2</sup> lower floor of the West Tower Building at the Old City Hall premises located at 14245 - 56 Avenue to the Her Majesty the Queen in the Right of Canada, as represented by the Minister responsible for The Royal Canadian Mounted Police for a term of ten (10) years with two additional five (5) year options to renew, for a total of twenty (20) years.

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General Manager, Engineering

JA/FS/KSW/amg/ras/brb

Appendix I - Aerial Photograph of West Tower Premises

# APPENDIX I AERIAL PHOTOGRAPH OF SITE



Produced by GIS Section: 18-Sep-2014, JJR

Date of Aerial Photography: April 1st, 2014



LEASE OF  
WEST TOWER LOWER FLOOR  
RCMP (5,044 ft²)

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.