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REGULAR COUNCIL

TO: Mayor & Council DATE: November 27, 2014

FROM: General Manager, Engineering City Solicitor FILE: 0930-30/400

SUBJECT: Proposed Closure of a Portion of 98B Avenue and 137 Street Road Allowances, and a Volumetric Lease of 7,790 m² (83,851 ft.²) of City Land at the Northeast Corner of King George Boulevard and Fraser Highway

RECOMMENDATION

The Engineering Department and the City Solicitor recommends that Council:

1. Authorize the City Clerk to bring forward a by-law to close and remove the dedication as highway of a 6,420 m² (69,104 ft.²) area of 98B Avenue and 137 Street located at the northeast corner of the intersection at King George Boulevard and Fraser Highway, as generally illustrated in Appendix I attached to this report; and
2. Approve the execution by the appropriate City officials of a 110-Year Prepaid Sub-Surface Volumetric Lease Agreement of 7,790 m² (83,851 ft.²) with KGS Holdings Ltd. to allow KGS Holdings Ltd. to construct and occupy the sub-surface portions of the proposed road closure area referenced in Recommendation 1 above, including the 1,370 m² (14,747 ft.²) City owned property at 9889 – 137 Street for underground parking facilities associated with the King George Station project, as generally illustrated in Appendix II attached to this report, subject to compliance with the notice provisions under Sections 26 and 94 of the *Community Charter, S.B.C., 2003, c.26*.

INTENT

The intent of this report is to seek Council's endorsement to close a portion of dedicated road and approve a volumetric lease agreement for underground parking purposes for the PCI development project at the northeast corner of King George Boulevard and Fraser Highway, in City Centre.

BACKGROUND

Property Description

The 6,420 m² (69,104 ft.²) portions of 98B Avenue and 137 Street road allowances to be closed and then leased for underground parking purposes are located at the northeast corner of the intersection at King George Boulevard and Fraser Highway. This road allowance area was dedicated under the PCI Developments Corp. Application No. 7912-0332-00. KGS Holdings Ltd. is the owner of the lands within the project, while PCI Developments Corp. is the applicant.

The volumetric lease will be sub-surface and will encapsulate the entire area between the top and bottom of the underground parking facility. The sub-surface area between the top of the underground parking facility and the surface will be excluded from the volumetric lease and will function and operate as a road, including road related utilities.

The 1,370 m² (14,747 ft.²) City property at 9889 – 137 Street that is also to be leased for underground parking purposes is located at the northeast corner of the intersection at King George Boulevard and Fraser Highway, directly south and adjacent the King George Skytrain station.

Zoning, Plan Designations and Land Uses

The area of road allowance proposed for closure and the City-owned property at 9889 – 137 Street are zoned Comprehensive Development (CD) Zone based on Multiple Residential Commercial (RMC-150) Zone. The lands are designated as “City Centre” in the Official Community Plan.

DISCUSSION

Purpose of Road Closure

The proposed road closure area will continue to be used for road purposes; however, its closure is required in order to permit the registration on title of a Sub-Surface Volumetric Lease (the “Lease”) to accommodate portions of an underground parking facility under Application No. 7912-0332-00, as illustrated in Appendix III attached to this report, which depicts one of the three parking levels. The related rezoning by-law for this application was granted fourth and final reading by Council on December 13, 2013.

City staff and representatives from KGS Holdings Ltd. have finalized the terms and conditions of the Lease, subject to City Council approval.

The area of road allowance proposed for closure and Lease has been circulated to all potentially concerned City Departments for review and all are supportive of the proposal. As required under Section 40 (4) of the *Community Charter*, all utility companies potentially affected by the closure of the portion of road allowance have been consulted and none have expressed any objections.

City Retention of Road Closure Area

The proposed road closure area will be retained in fee simple by the City and maintained as road in the future.

All area calculations contained in this report are approximate and subject to final survey.

SUSTAINABILITY CONSIDERATIONS

The proposed road closure and granting of a Lease as part of the project located adjacent to the King George Skytrain will assist in achieving the objectives of the City's Sustainability Charter, including:

- EC1: Corporate Economic Sustainability;
- EC2: Economic Development Strategy and an Employment Land Strategy,
- EC4: Sustainable Fiscal Management Practices; and
- EN9: Sustainable Land Use Planning and Development Practices.

CONCLUSION

The proposed closure of 98B Avenue and 137 Street road allowances is required to accommodate a Lease with KGS Holdings Ltd. It is recommended that Council authorize staff to bring forward an appropriate by-law to close the subject road allowance area in preparation for the Lease.

Also, it is recommended that Council approve the execution by the appropriate City officials of a Lease agreement, as generally described in this report with KGS Holdings Ltd. This will permit KGS Holdings Ltd. to occupy the sub-surface portions of the proposed road closure area and the City owned property at 9889 – 137 Street for parking facilities associated with the King George Station project.

Fraser Smith, P. Eng., MBA
General Manager, Engineering

Craig MacFarlane
City Solicitor

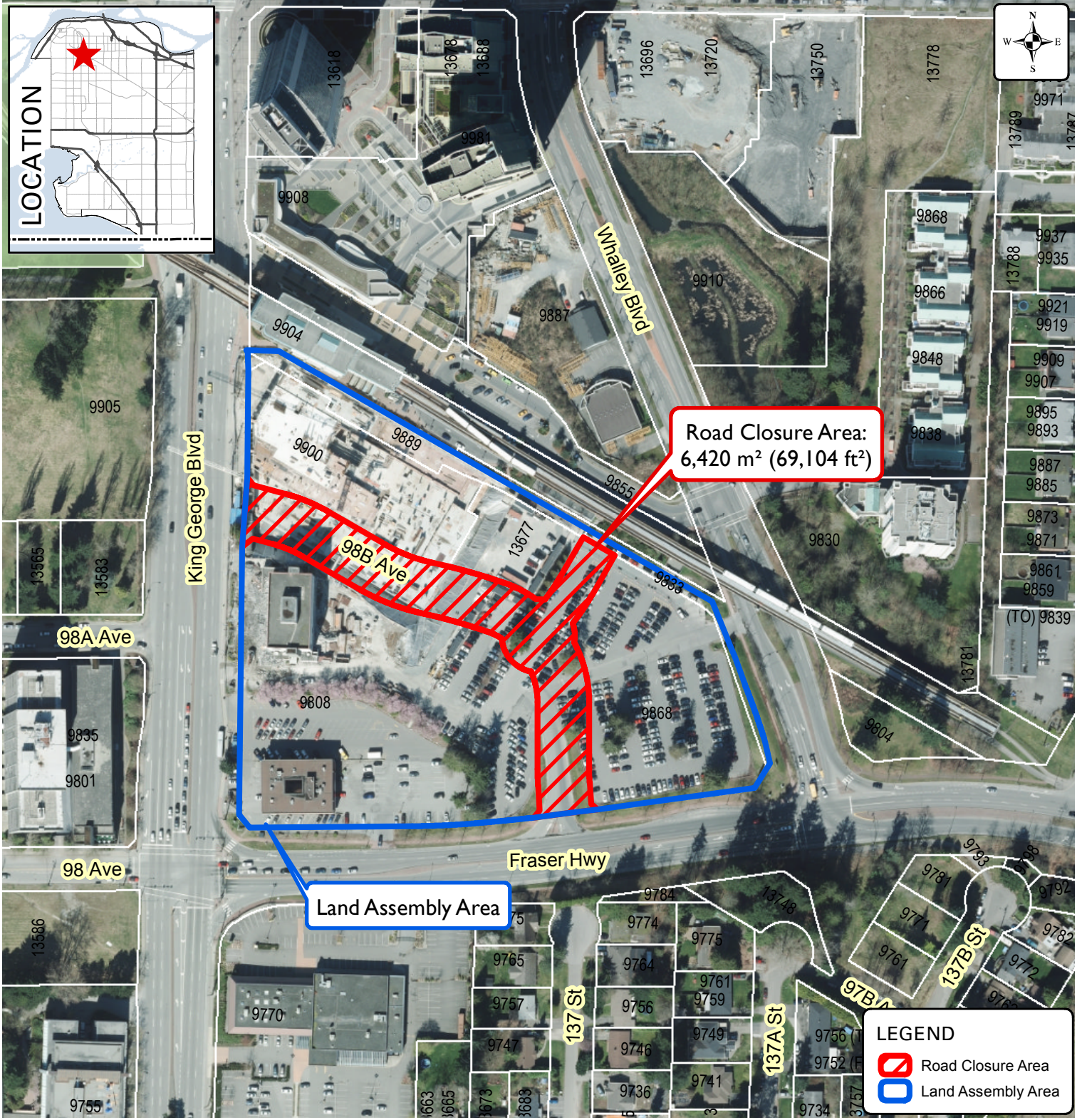
KSW/amg/clr/ras

Appendix I - Aerial Photograph of Road Closure Area

Appendix II – Proposed Volumetric Lease Area

Appendix III - P₁ Level Parking Plan

APPENDIX I AERIAL PHOTOGRAPH OF SITE



Produced by GIS Section: 26-Nov-2014, C9W

Date of Aerial Photography: March 30, 2014



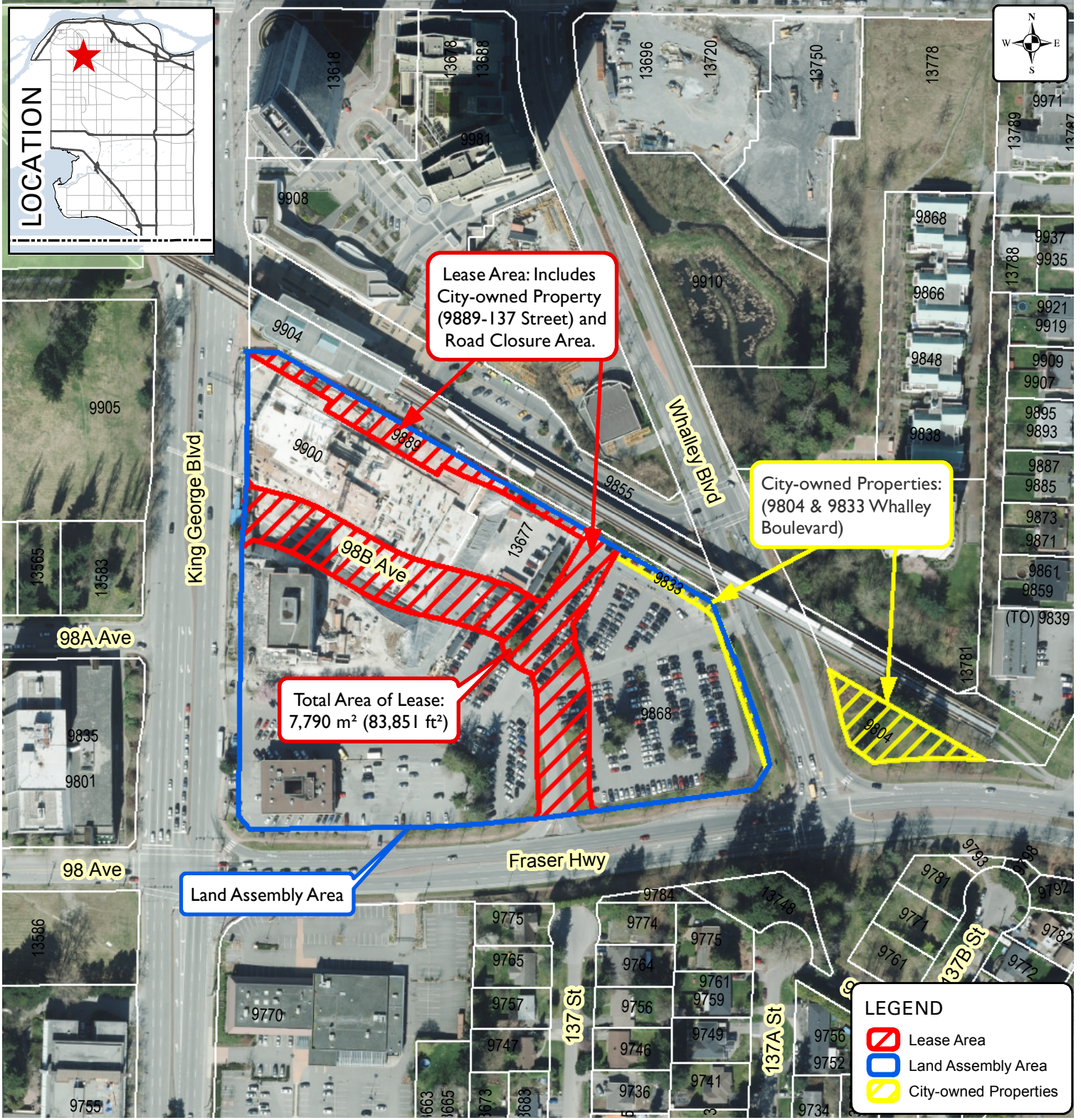
**ROAD CLOSURE: 98B Avenue and 137 Street
at King George Boulevard
and Fraser Highway**

**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.

Source: G:\MAPPING\GIS\Maps\CorporateReps\Realty\98B_Ave_KGB_to_FraserHwy_API.mxd

APPENDIX II AERIAL PHOTOGRAPH OF SITE



Produced by GIS Section: 27-Nov-2014, C9W

Date of Aerial Photography: March 30, 2014



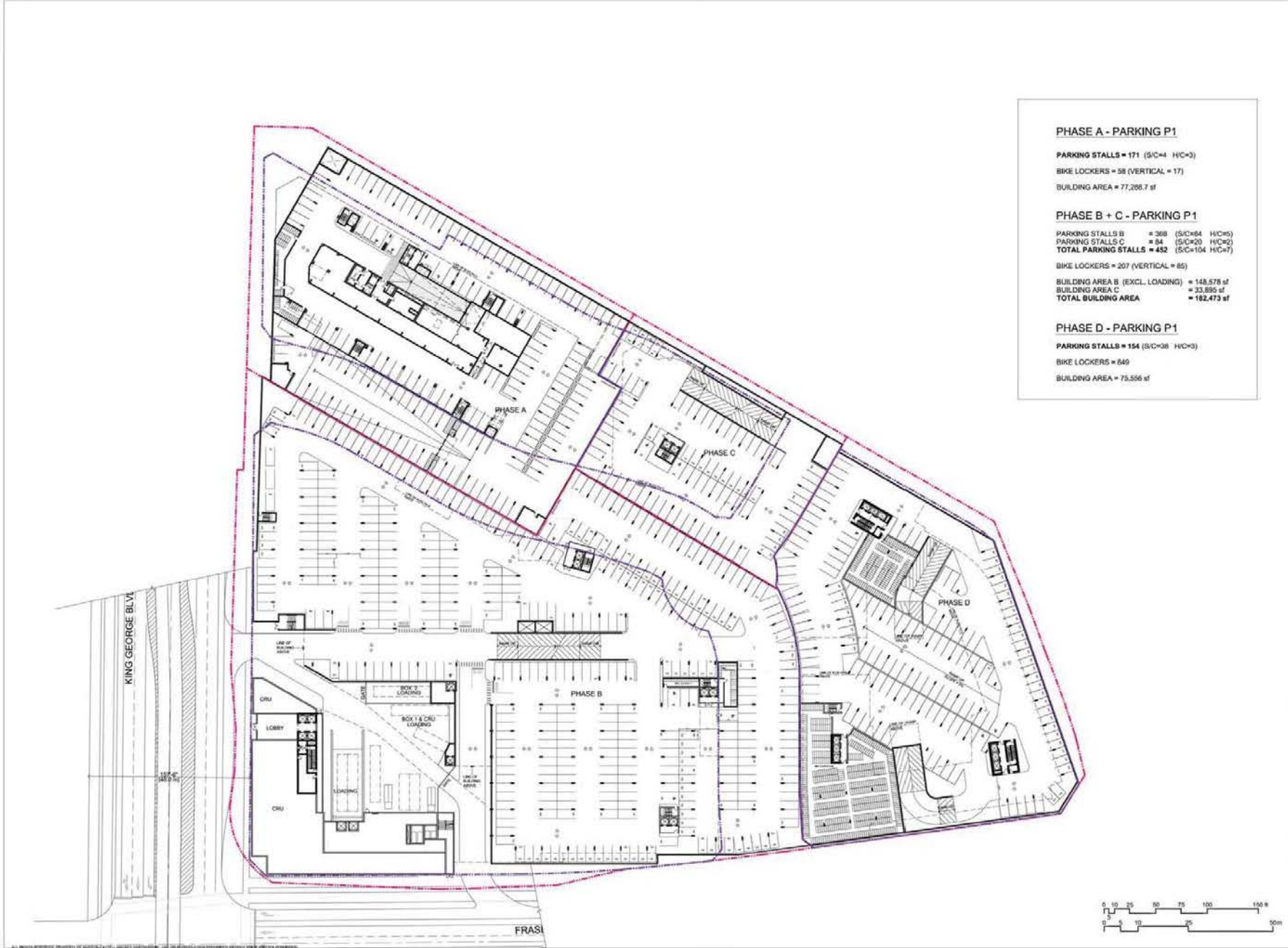
PROPOSED VOLUMETRIC LEASE AREA:
7,790 m² (83,851 ft²)

**ENGINEERING
DEPARTMENT**

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PHASE A - PARKING P1	
PARKING STALLS = 171 (S/C=4 H/C=3)	
BIKE LOCKERS = 58 (VERTICAL = 17)	
BUILDING AREA = 77,288.7 sf	
PHASE B + C - PARKING P1	
PARKING STALLS B = 368 (S/C=84 H/C=5)	
PARKING STALLS C = 84 (S/C=20 H/C=2)	
TOTAL PARKING STALLS = 452 (S/C=104 H/C=7)	
BIKE LOCKERS = 207 (VERTICAL = 85)	
BUILDING AREA B (EXCL. LOADING) = 148,578 sf	
BUILDING AREA C = 33,895 sf	
TOTAL BUILDING AREA = 182,473 sf	
PHASE D - PARKING P1	
PARKING STALLS = 154 (S/C=38 H/C=3)	
BIKE LOCKERS = 649	
BUILDING AREA = 75,556 sf	



PCI

- 04-19-2013 ADP RESUBMISSION
- 05-27-2013 ADP SUBMISSION
- 05-18-2013 BILLED FOR C&E RZ REVIEW

**MUSSON
CATTELL
MACKEY
PARTNERSHIP**
ARCHITECTS DESIGNERS PLANNERS

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**KING GEORGE
STATION**

KING GEORGE BLVD.
SURREY, BC

**MASTER PLAN
PARKING LEVEL
PHASES A, B, C**

FILE # 7912-0332-00
SCALE: 1" = 10'
DATE: APRIL 18, 2013
DRAWN: AC
REVISION:
PROJECT: 211131.00
SHEET:

APPENDIX III
A03