

NO: R211

COUNCIL DATE: October 3, 2016

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **September 26, 2016**

FROM: **General Manager, Engineering**

FILE: **0930-30/207**

SUBJECT: **Modification of the Lease to Greater Vancouver Water District over Part of the City Property at 16666 – 24 Avenue (Grandview Reservoir)**

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## RECOMMENDATION

The Engineering Department recommends that Council approve the execution by the appropriate City officials of a lease modification agreement to amend and expand the existing lease area to the Greater Vancouver Water District over parts of the City property located at 16666 – 24 Avenue, subject to the Greater Vancouver Regional District obtaining its Senior Management approval of the lease modification.

## BACKGROUND

The City property, as illustrated in the attached Appendix “I”, is located at 16666 – 24 Avenue (the “Property”). The Property is a 6.73 acre parcel, designated as “Civic Utility” in the Sunnyside Heights Neighbourhood Concept Plan.

The Greater Vancouver Water District (the “GVWD”) holds a 33-year term lease commencing September 1, 1999, with a right of renewal for a second term of 33 years (the “Lease”) over a 3.16 acre portion (the “Leased Area”) of the Property. The City entered into this Lease under the terms of a 1989 Water Supply Agreement between the City and the GVWD. A reservoir, known as Grandview Reservoir, was constructed on the Leased Area in 1998.

The proposed modification and expansion of the Leased Area will facilitate both the development of the City’s South Surrey Operations Centre and the GVWD’s expansion plans for its reservoir facility located on the leased lands, as generally illustrated in Appendices “I” and “II” attached to this report, and as generally described in this report.

## DISCUSSION

The vacant south portion of the Property has been identified as a suitable site for the City’s South Surrey Operations Centre (the “Project”). Since identification of the site for the Project, the City purchased the adjacent lands at 16615 – 23 Avenue and 16596 and 16604 – 24 Avenue to complete an assembly of lands for the Project. The Project will dedicate the necessary 166 Street and 167 Street road allowances and provide for a drainage corridor/buffer along its western boundary, as illustrated in the Appendix “II” Site Plan attached to this report. City Council granted final reading for the Project under Development Permit No. 7915-0133-00 at the July 11, 2016 Council meeting.

The City's staff and its consultants determined that to achieve the most suitable and optimum site configuration for the Project, the City will require the GVWD to relinquish part of its existing Leased Area and agree to a revised leased area. City staff have been negotiating with Greater Vancouver Regional District ("GVRD") staff for an amendment to the Leased Area since 2015, and the parties have now arrived at an agreement, subject to approval by Council and by GVRD Senior Management, whereby the GVWD will release part of the existing 3.16 acre Leased Area and the City will revise the leased area to extend over a 3.81 acre part of the Property as is shown in Appendix "I". The existing Leased Area would have allowed for a second reservoir, back-to-back with the existing reservoir. The revised leased area will accommodate two future reservoirs, as is now required by the GVWD. GVRD staff are currently completing a memorandum report to its Senior Management to obtain approval for the lease modification.

## **SUSTAINABILITY CONSIDERATIONS**

The proposed lease modification agreement to revise the Leased Area within the Lease to the GVWD as described in this report supports the objectives of the City's Sustainability Charter. In particular, the proposed transaction relates to the Sustainability Charter theme of Infrastructure. Specifically, this lease modification transaction supports the following Desired Outcomes:

- All Infrastructures DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems; and
- Water SD12: Continue to explore, develop and implement policies and tools to support water conservation and recovery.

## **CONCLUSION**

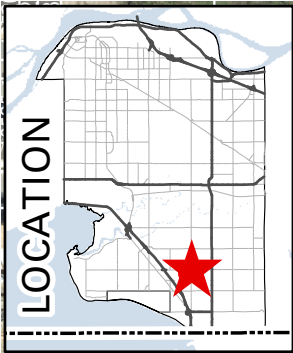
Based on the above discussion, it is recommended that Council approve the execution by the appropriate City officials of a lease modification agreement with the Greater Vancouver Water District to amend and expand the Leased Area for the Grandview Reservoir over part of the City property located at 16666 – 24 Avenue, as generally described in this report and illustrated in Appendix "I" attached to this report.

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

AW/amg/clr

Appendix "I" - Aerial Photograph of Site  
Appendix "II" - South Surrey Operations Centre Site Plan

AERIAL PHOTOGRAPH OF SITE



Project 7915-0133-00  
16615 - 23 Avenue, 16596,  
16604 & 16666 - 24 Avenue

Existing Leased Area  
3.16 Acres

Proposed New  
Leased Area  
3.81 Acres

Property at  
16666 - 24 Avenue  
6.73 Acres

**LEGEND**

- Proposed New Leased Area
- Project 7915-0133-00
- Existing Leased Area
- Property at 16666 - 24 Avenue
- Parks

Produced by GIS Section: 23-Sep-2016, C9W

Date of Aerial Photograph: March 30, 2016

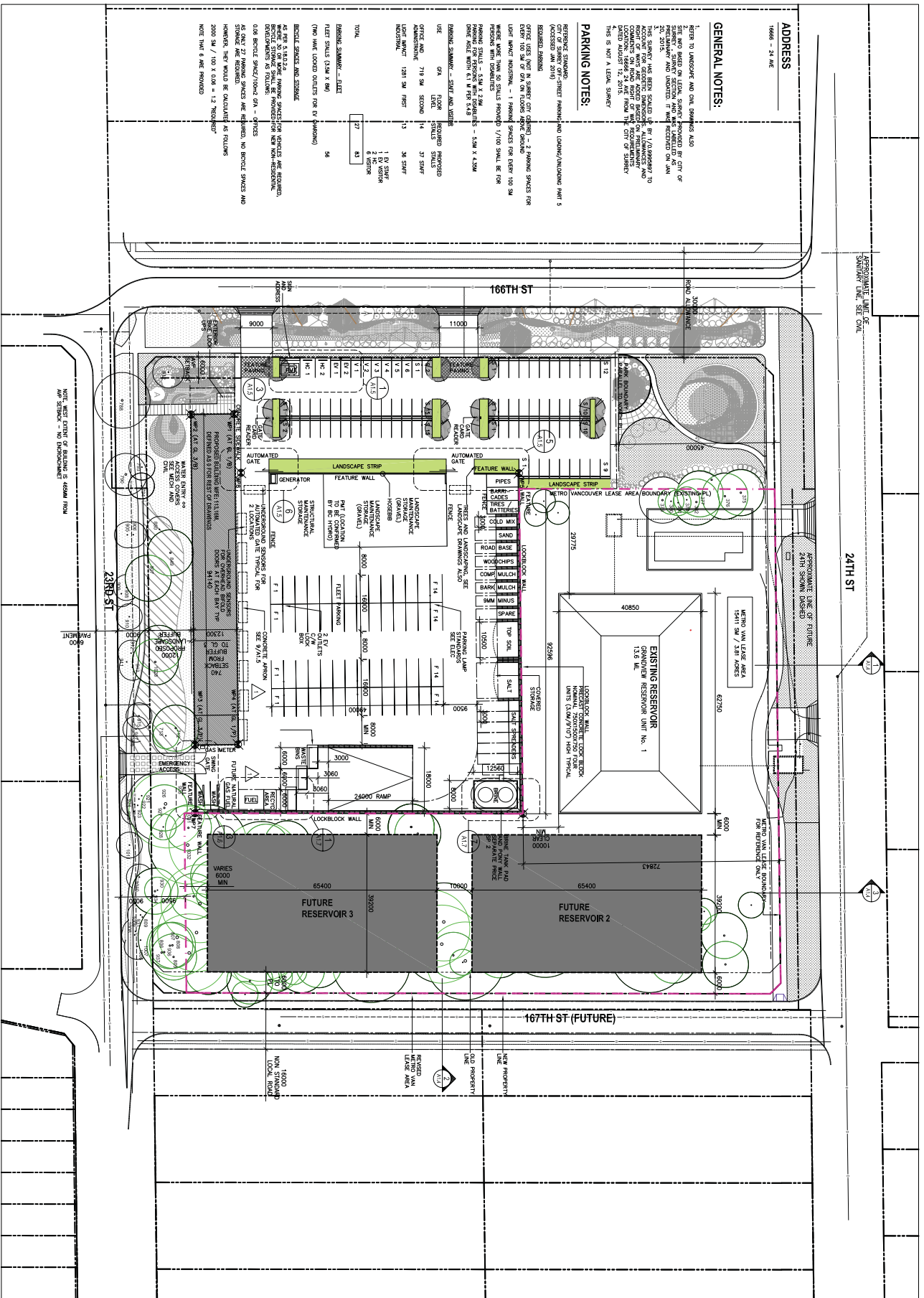
Scale: 1:2,500



Modification of the Lease to  
Greater Vancouver Water District  
over Part of the City Property at  
16666 - 24 Avenue (Grandview Reservoir)

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.



**Caracaldeo**  
 SOUTH SURREY OPERATIONS CENTRE  
 2336 166 Street  
 Surrey BC

**Site Plan**  
 SB OS  
 1519 MARCH 2016  
 1:500

**A1.2**

**Metro Van Layout**  
 Sept 19, 2016

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