

NO: R103

COUNCIL DATE: May 29, 2017

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## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **May 25, 2017**

FROM: **General Manager, Engineering** FILE: **0930-30/370**

SUBJECT: **Renewal of Lease Agreement with the Surrey Heritage Society of Former Museum Building on the Cloverdale Fairgrounds (Vintage Truck Museum)**

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## RECOMMENDATION

The Engineering Department recommends that Council approve the execution by the appropriate City officials of a lease renewal agreement as generally described in this report with the Surrey Heritage Society (the "SHS") to allow the SHS to occupy 9,500. ft.<sup>2</sup> in the former Museum Building on the Cloverdale Fairgrounds at 6022 – 176 Street (the "Premises"), as generally illustrated in Appendix "I" attached to this report, to allow it to continue to operate as a Vintage Truck Museum for a 2-year period from June 1, 2017 to May 31, 2019.

## BACKGROUND

In May 2012, Council approved the lease of a 5,000 ft.<sup>2</sup> portion of the Premises to SHS to temporarily operate as the BC Vintage Truck Museum. The lease term was for 5 years, commencing on June 1, 2012 and expiring on May 31, 2017. The SHS has been using a portion of the former Museum Building, with the City utilizing the majority of the building for storage purposes.

## DISCUSSION

It is the City's intention to relocate the 1881 Town Hall structure, which is incorporated into the design of the former Museum Building, from this location to the Surrey Museum site at 17710 - 56A Avenue once the new Museum addition is completed in 2018. As a result of the removal of the 1881 Town Hall structure, as illustrated in Appendix "II", approximately 7,000 ft.<sup>2</sup> of the former Museum Building will have to be demolished. The remaining 9,500 ft.<sup>2</sup> area will then be fully utilized by the SHS.

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

Current 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 \$57,000.

1. Main Lease Terms:

- Duration: 2 years (City may terminate agreement with 60 days notice)
- Rent: \$57,000 per annum
- Utilities: SHS responsibility
- Maintenance: SHS responsibility
- Security and Insurance: SHS responsibility

2. Operational Requirements:

The SHS agrees to be responsible for all costs associated with the leased Premises including insurance, utilities and maintenance costs. The operating hours of the BC Vintage Truck Museum are Wednesdays from 10:00 a.m. to 12:00 p.m. and on Saturdays from 10:00 a.m. to 2:00 p.m. as well as on major special events like the Cloverdale Rodeo & Exhibition, Canada Day and the Blueberry Festival.

## SUSTAINABILITY CONSIDERATIONS

The renewal of lease of the former Museum Building to the SHS supports the City's Sustainability Charter. In particular, the lease renewal relates to the Sustainability Charter themes of Built Environment and Neighbourhoods, and Education and Culture. Specifically, the lease renewal supports the following Desired Outcomes:

- Neighbourhoods and Urban Design SD6: Provide a range of community amenities including culture, recreation, health, and educational facilities in each Town Centre;
- Arts and Heritage DO7: An enviable and vibrant arts and heritage sector contributes to Surrey's citizen engagement, enrichment, economy, community livability, and civic pride;
- Arts and Heritage DO8: Arts, heritage and entertainment spaces are incorporated throughout the City; and
- Arts and Heritage SD10: Encourage arts, heritage and cultural expression for youth in the community.

## CONCLUSION

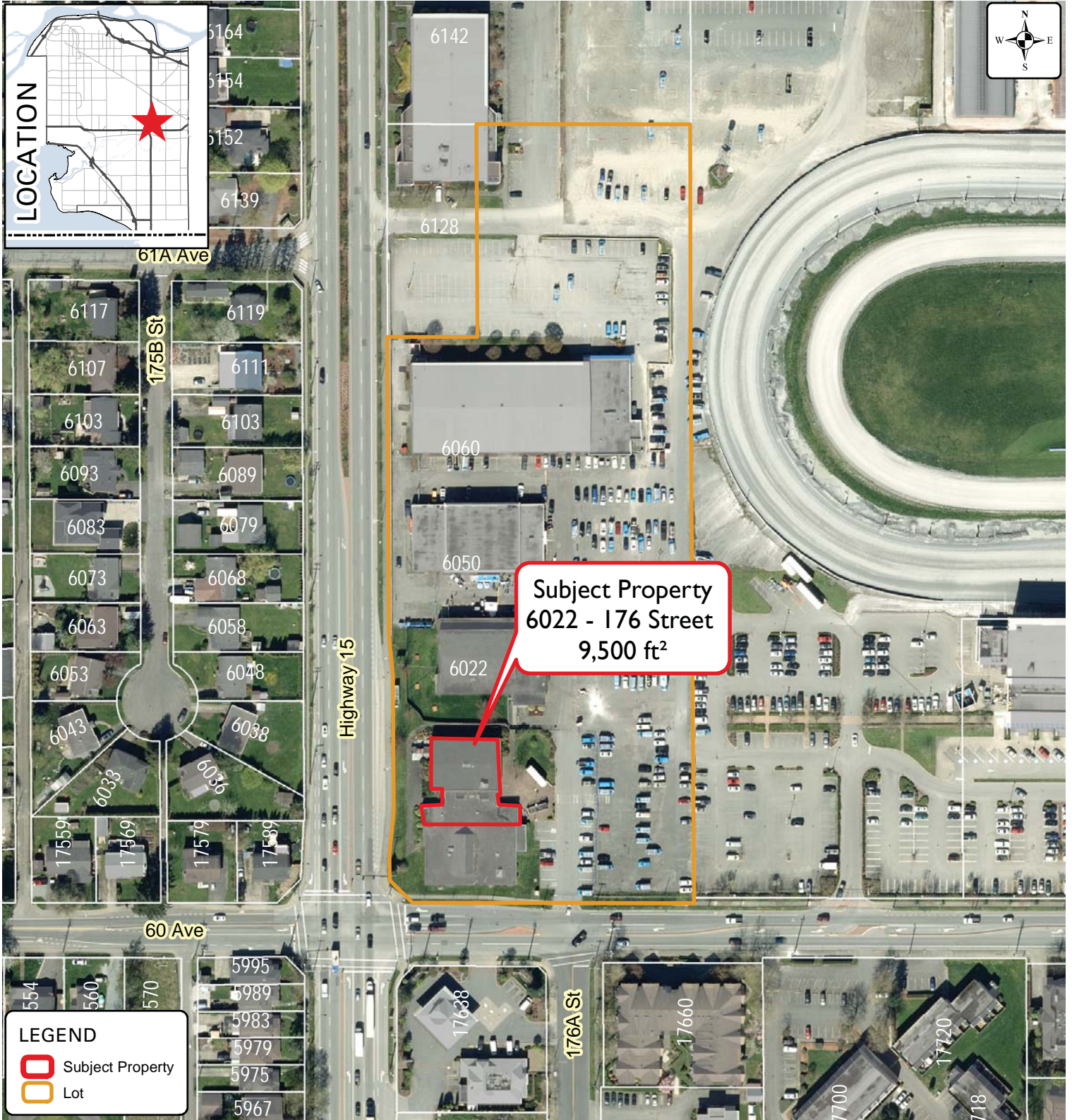
Based on the above discussion, it is recommended that Council approve the execution by the appropriate City officials of a Lease Renewal Agreement as generally described in this report with the Surrey Heritage Society that will allow the SHS to continue to use the old Museum Building on the Cloverdale Fairgrounds for the operation of the BC Vintage Truck Museum.

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

KAM/lo/cc

Appendix "I" - Aerial Photo of Site  
Appendix "II" - 1881 Town Hall Structure Location

# AERIAL PHOTOGRAPH OF SITE



Produced by GIS Section: 09-May-2017, P123723

Date of Aerial Photograph: March 30, 2016

Scale: 1:2,000

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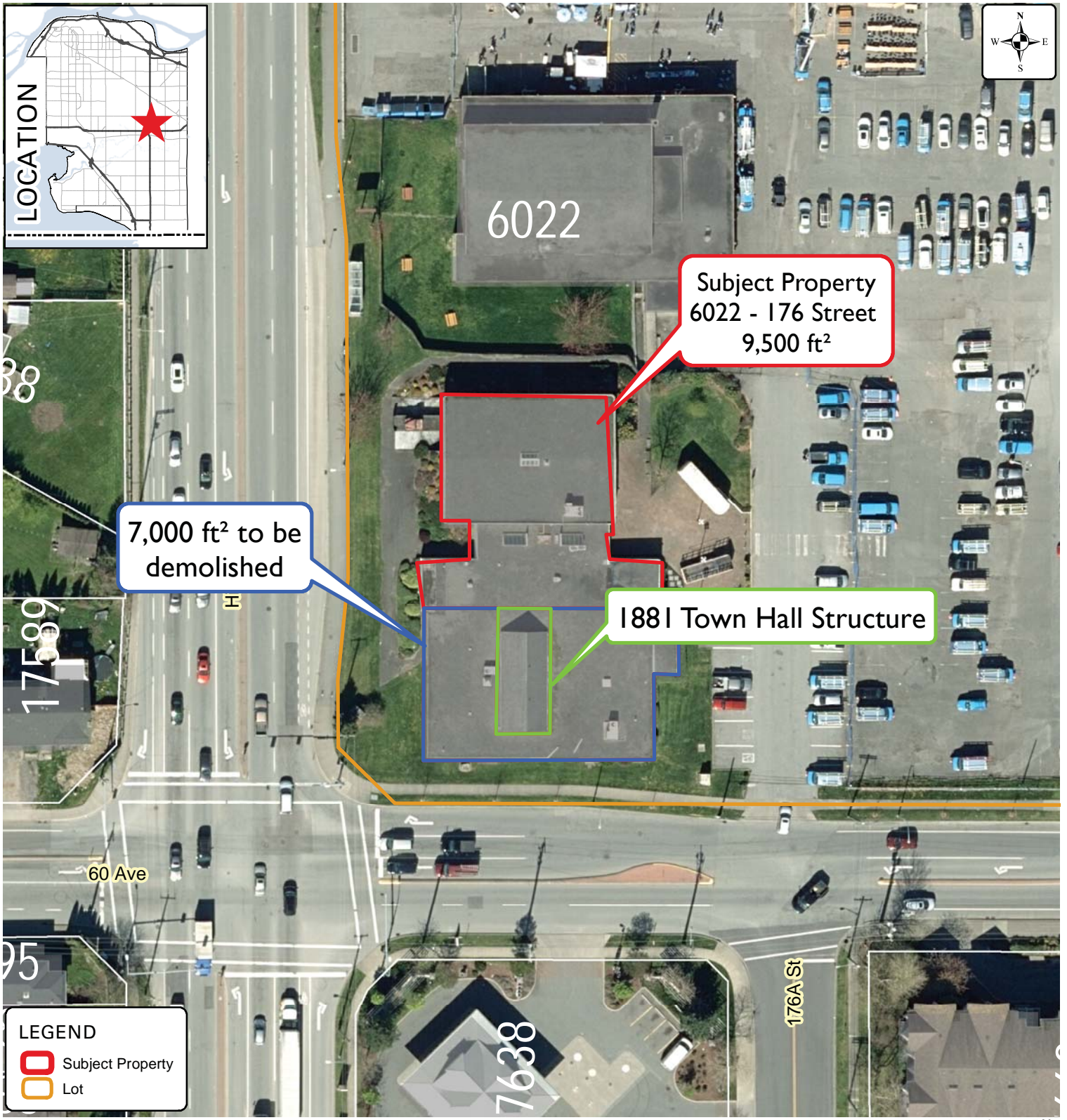
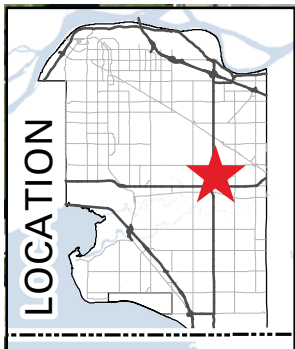


## Lease Renewal of Former Museum Building 6022 - 176 Street

**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.

AERIAL PHOTOGRAPH OF SITE



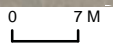
**LEGEND**

- Subject Property
- Lot

Produced by GIS Section: 25-May-2017, P205934

Date of Aerial Photograph: March 30, 2016

Scale: 1:800



Lease Renewal of Former Museum  
Building 6022 - 176 Street

ENGINEERING  
DEPARTMENT

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