



## CITY OF VANCOUVER

# A3

### ADMINISTRATIVE REPORT

Report Date: April 25, 2008  
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VanRIMS No.: 02-3000-13  
Meeting Date: May 13, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services in consultation with the Directors of Real Estate Services, Legal Services, Community Planning, and the General Manager, Business Planning and Services

SUBJECT: Proposed Lease of a Portion of Skeena Street, North of Cornett Road

#### RECOMMENDATION

- A. THAT Council close, stop-up and lease to the abutting owners of Lot A, Section 39, Town of Hastings Suburban Lands, Plan 9962 and Lot 5, South ½ of Section 38, Town of Hastings Suburban Lands, Plan 8811 (the "Owner") that portion of Skeena Street north of Cornett Road (7867 square feet / 730.8 square metres), as shown in heavy outline on the plan attached hereto as Appendix "A", subject to the terms and conditions as noted in Appendix "B".
- B. THAT the Director of Legal Services be authorized to execute all documents required.
- C. THAT Council authorize the Director of Finance to hold the annual income from the lease in Still Creek Greenway Enhancement Reserve to be used for ongoing initiatives toward achieving Council objectives to protect, enhance and daylight Still Creek.
- D. THAT no legal right or obligation shall be created and none shall arise hereafter, until the documents are executed to the satisfaction of the Director of Legal Services.

## COUNCIL POLICY

The authority for closing and disposing of streets and lanes is set out in the Vancouver Charter.

In July 1988 Council endorsed Still Creek to be maintained as an open water course, and to pursue day-lighting, enhancing the Creek, and providing public access to a continuous pedestrian/bicycle pathway linking Burnaby Lake to the B.C. Parkway at 29<sup>th</sup> Avenue Station.

In July 2000, Council established the Still Creek/Greenway Enhancement Fund with contributions from the Vancouver Film Studios for the lease of Cornett Road.

In July 2002, Council adopted the *Grandview Boundary Industrial Area Rezoning and Development Policies and Guidelines* which contain specific guidelines to protect and enhance Still Creek. At that time, Council also adopted the ten year actions and endorsed in principle the long-term (10 - 50 year) enhancement plan contained in the Still Creek Rehabilitation and Enhancement Study.

In December 2006, Council endorsed the Still Creek Integrated Stormwater Management Plan (ISMP) which identifies private and public actions to improve stormwater management, recreational opportunities and Creek health.

## PURPOSE

The purpose of this report is to seek Council authority to close, stop-up, and lease to the abutting owner a portion of Skeena Street, north of Cornett Road, (7867 square feet / 730.8 square metres) as shown in heavy outline on the plan attached hereto as Appendix "A" so as to allow for the "film campus" to be secured and to establish a source of funds to support Still Creek enhancement work.

## BACKGROUND

We have received a request from the Owner to lease the portion of Skeena Street as shown in heavy outline on the plan attached as Appendix "A". The Owner currently leases a portion of Cornett Road between Skeena Street and the Trans-Canada Highway that facilitates an existing campus entranceway and security kiosk.

This new Skeena Street lease will further improve security for the Owner, enhance connectivity between the Owner campus buildings, and reduce illegal parking and dumping activities in the Skeena Street end.

The Owner advises that they are the beneficial owner of the two properties (2525 Skeena Street and 2530 Skeena Street) that abut the subject portion of Skeena Street. The two properties are held in different company names. As a condition of the lease arrangements, the Owner will have to provide consent to the satisfaction of the Director of Legal Services so as to meet the provision of Section 291A of the Vancouver Charter.

Skeena Street contains underground sanitary and storm sewers, water and gas lines, and overhead utilities including hydro and telephone service.

## DISCUSSION

The Owner has made application to the City to gate and control access to Skeena Street north of Cornett Road. They desire exclusive use of Skeena Street for the film studios, noting that, for security purposes, they need to control all traffic to their site. This lease will enable the Owner to have secure passage between their main film campus (at 2530 Skeena Street) and their property (2525 Skeena Street) located on the west side of Skeena Street.

The Director of Real Estate Services has negotiated a new lease, for a 5 year term, subject to a six month notice of cancellation, with the an annual rent inclusive of property taxes of \$26,576 plus GST. Although Skeena Street will be gated just north of Cornett Road, the gate will be staffed 24 hours a day, 7 days a week from the non-permanent gate house across Cornett Road at Skeena Street. The City, public utility companies, GVRD, and emergency response personnel will have access to the site at any time required.

Due to the proximity of this lease area to Still Creek, and Council's desire to enhance Still Creek (to the benefit of the local area and the environment) the Director of Community Planning, has requested that the revenue from this lease be managed similarly to the revenue captured by the existing Cornett Road lease between The Owner and the City, i.e., to be used for future initiatives toward achieving Council objectives to protect, enhance, and daylight Still Creek.

Due to long term transportation plans that call for an extension of Skeena Street north to East Broadway and the fact that Skeena Street will remain as a vital utility corridor, this closure and lease can only be considered as a short term arrangement.

No structures will be allowed other than the gate across Skeena Street. The use of the lease area will be for access, parking and loading purposes only, and incidental uses ancillary to the film studio operation.

The final lease agreement will be drawn to the satisfaction of the Director of Legal Services, the Director of Real Estate Services and the General Manager of Engineering Services. Terms and conditions for the lease are listed in Appendix "B" of this report.

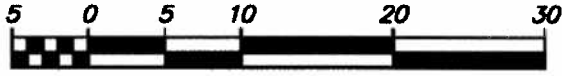
## CONCLUSION

The proposed lease will provide for the indemnification of the City and will require that the lessee be responsible for the maintenance of the lease area. The future use of the lease area will be assured through the cancellation provisions in the lease, including the long term transportation plans that call for the extension of Skeena Street north to East Broadway. The General Manager of Engineering Services, in consultation with the Director of Real Estate Services and the Director of Legal Services recommend approval of Recommendations A through D to facilitate the stopping-up, closure, and lease of the Street.

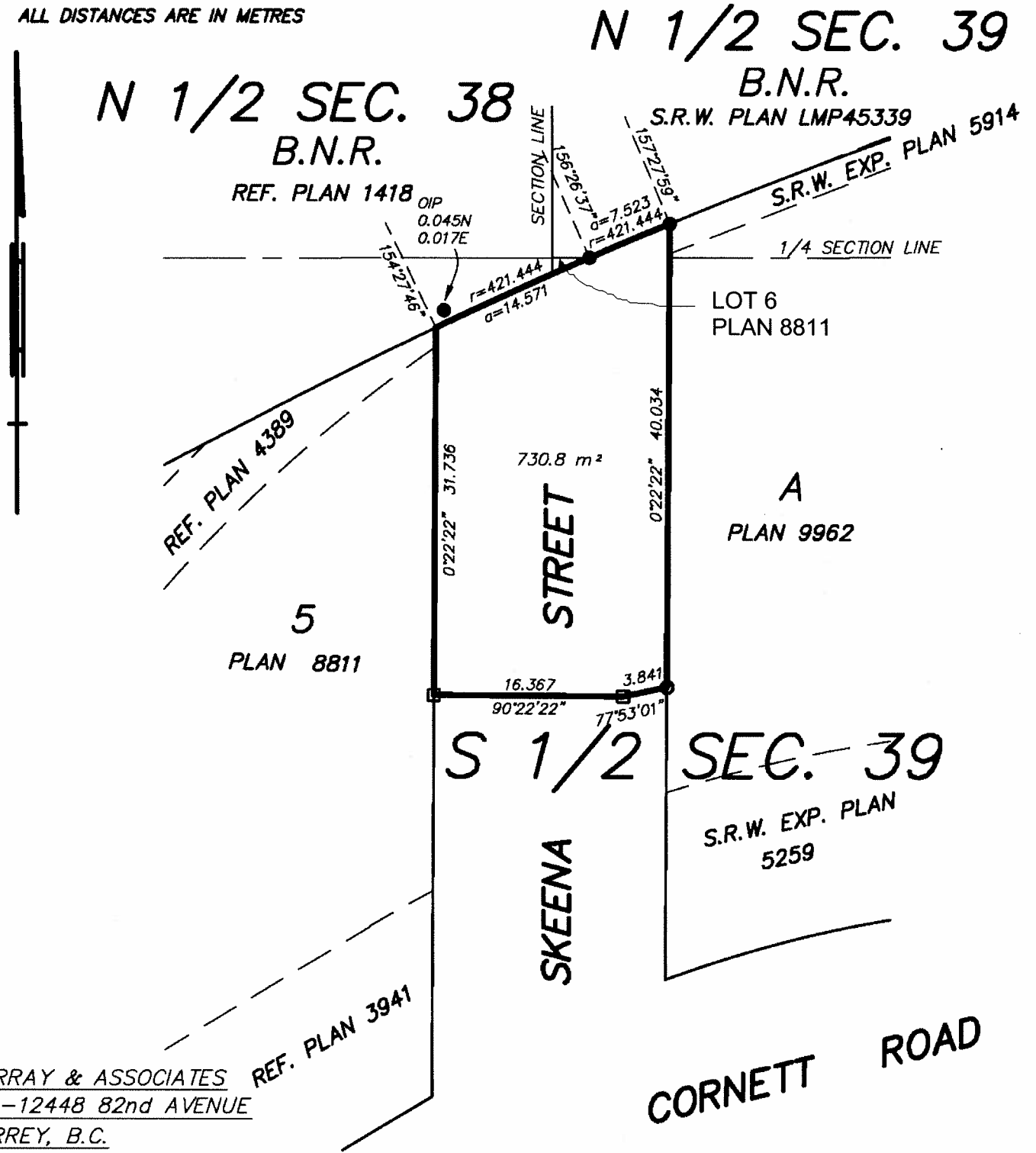
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# SKETCH PLAN OF LEASE AREA OF A PORTION OF SKEENA STREET

**APPENDIX A**



SCALE 1 : 500  
ALL DISTANCES ARE IN METRES



MURRAY & ASSOCIATES  
201-12448 82nd AVENUE  
SURREY, B.C.  
V3W 3E9  
(604) 597-9189

FILE 8632-49A

TERMS AND CONDITIONS

1. Annual rent inclusive of property taxes to be \$26,576 plus GST, effective June 1, 2008.
2. The term of the lease is to be five years from June 1, 2008, with the lease to contain a six month notice of cancellation provision (exercisable at any time by the General Manager of Engineering Services) should the lease area be required for any municipal purpose.
3. The lease to contain one (1) option for an additional five (5) year term subject to a six month notice of cancellation provision (exercisable at any time by the General Manager of Engineering Services) should the lease area be required for any municipal purpose and the lease to contain the same terms and conditions except the annual rent.
4. The lease area to be used to provide security to the "Film campus", and for access, parking and loading only, plus incidental uses related to the film studio.
5. There are to be no buildings or structures on the lease area, except a gate (staffed at all times at the non-permanent gate house across Cornett Road at Skeena Street) such gate to be designed, built and operated to the satisfaction of the General Manager of Engineering Services.
6. The lessee is to maintain the lease area, including maintenance of the road surface and responsibility for drainage and snow removal, in a manner satisfactory to the General Manager of Engineering Services. Any changes to the road surface will require the prior written approval of the General Manager of Engineering Services.
7. The lessee shall limit loads on the road area so as to prevent damage to the underground utilities.
8. Upon expiry date or termination of the lease, the lessee is to be responsible for restoration of the lease area to the satisfaction of the General Manager of Engineering Services.
9. The City, public utility companies, the G.V.R.D. will require access (without notice) to the Lease Area 24 hours a day and 7 days per week for operation, inspection, maintenance, installation, construction, repairs, removal or replacement for all underground and overhead utilities and for access to City owned Lot 6 South ½ of Section 38 and West ½ of the South West ¼ of Section 39 town of Hastings Suburban Lands Plan 8811 (said Lot 6 being immediately northerly of the Lease Area). Access for emergency response services must also be provided at all times.
10. The lessee shall assume full responsibility for liabilities, loss and damages from their occupancy or use of the lease area, and to insure the proposed lease area with a comprehensive general liability and property damage insurance policy to the satisfaction of the Director of Real Estate Services and the Director of Risk Management.

11. The lease to contain covenants from the Owner that they are the occupants of all land that abuts the portion of Skeena Street to be leased, and any other covenants required by the director of Legal Services.
12. The lease agreement is to be to the satisfaction of the Director of Legal Services, the Director of Real Estate Services and the General Manager of Engineering Services and may contain other terms and conditions to the satisfaction of the Director of Legal Services, Director of Real Estate Services and the General Manager of Engineering Services.