



ADMINISTRATIVE REPORT

A4

Report Date: April 22, 2009
Contact: Grant Woff
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VanRIMS No.: 08-2000-20
Meeting Date: June 2, 2009

TO: Vancouver City Council

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

SUBJECT: Proposed Lease of a Portion of Cassiar Street, North of Bridgeway

RECOMMENDATION

- A. THAT Council lease to Viterra Inc. that portion of Cassiar Street north of Bridgeway (4445 square feet / 413 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 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.

PURPOSE

The purpose of this report is to seek Council authority to renew the existing lease to the abutting owner of a portion of Cassiar Street, north of Bridgeway, (4445 square feet / 413 square metres) as shown in heavy outline on the plan attached hereto as Appendix "A" so as to allow the continued use of their grain handling facilities.

BACKGROUND

On July 27, 1999, City Council approved the recommendation of the General Manager of Engineering Services to close and lease the subject portion of Cassiar Street, north of Bridgeway to Cascadia Terminal for the construction of grain handling facilities and the placement and maintenance of rail trackage.

Viterra Inc. took over operations of Cascadia Terminal in 2007 and is the registered owner of the adjacent Lot A (Explanatory Plan 2269) of Lots 545 and 546, except part shown below High Water Mark, Town of Hastings Plan 100.

We have received a request from the Owner to renew the existing lease between the City and Viterra Limited that expires on June 30, 2009 of the portion of Cassiar street north of Bridgeway as shown in heavy outline on the plan attached as appendix "A".

The owner seeks a new 10 year lease with an option to renew for an additional 10 year term on the same terms and conditions. Staff have been able to determine there is no foreseeable municipal use of the area in the next twenty years and are, therefore, prepared to recommend to Council the ten (10) year lease plus a ten (10) year option.

This report seeks to renew Council authority for the lease to commence July 1, 2009.

DISCUSSION

This lease will allow for the continued use of the existing grain handling facilities and the rail trackage.

The Director of Real Estate Services has negotiated a new lease, for a 10 year term, subject to a one year notice of cancellation provided that such right of early termination only be exercised after the expiry of five years of the term, with an annual rent inclusive of property taxes of \$7,245 plus GST for year 1 - 5 and \$7,969 for year 6 - 10.

Canadian Pacific Railway has given a letter of support for the lease of the required portion of street.

A large Metro Vancouver (Greater Vancouver Sewerage and Drainage District) sewer exists within the proposed lease area. Therefore, any construction on the lease area must be approved by the GVS&D.D.

The subject portion of the street is isolated from the City street system by the C.P.R. tracks and is also within the Vancouver Port security area and it would not be safe for the public to be in this location because of the intense rail and grain handling activity.

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

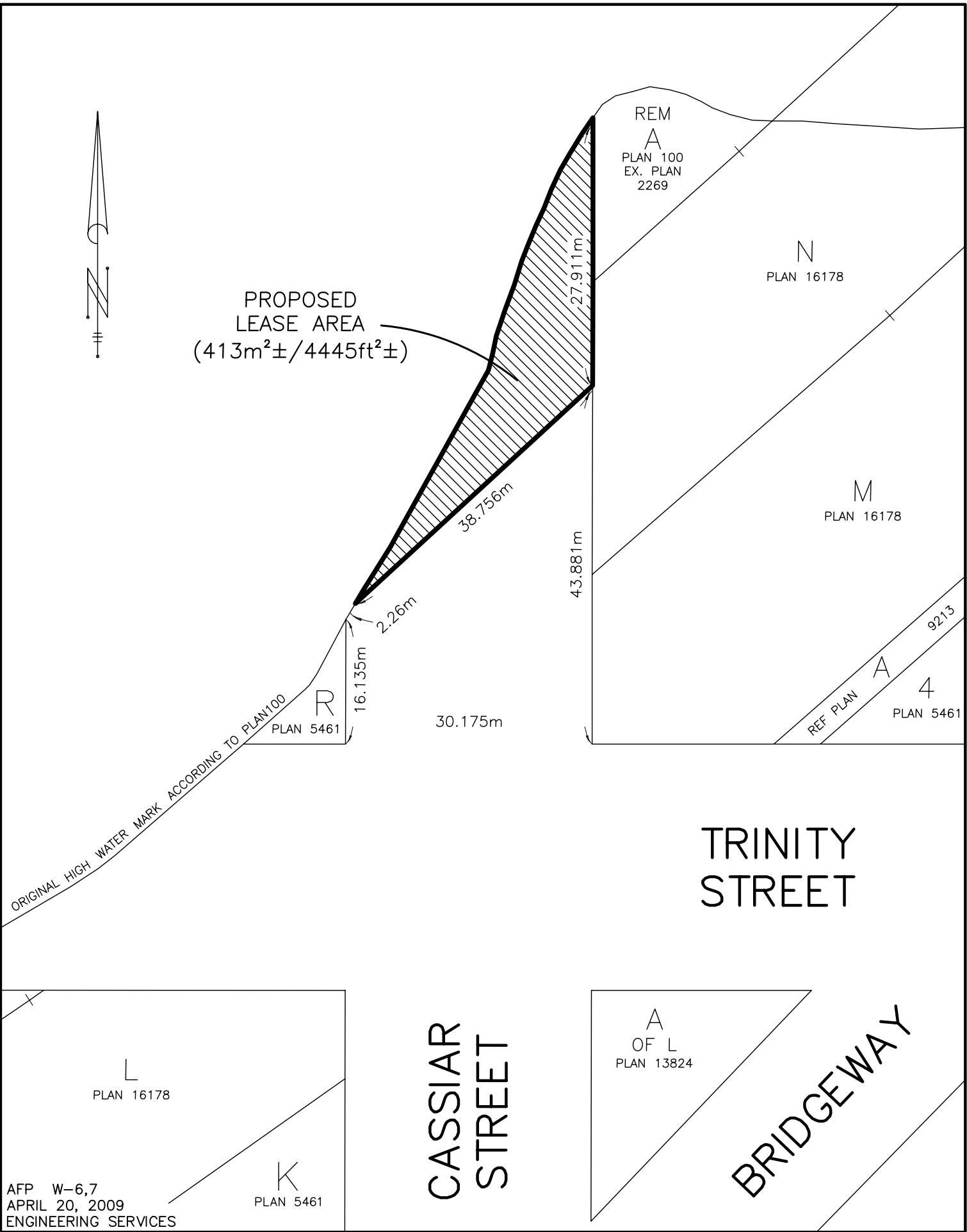
The subject portion of Cassiar Street is not required for street purposes at the present time. Staff have determined there is no foreseeable municipal use of this area over the next twenty years. We will, at all times, reserve the right to construct, install and maintain utilities as necessary. Viterro Limited wishes to renew the lease of this portion of street for the continued use of their grain handling facilities. Subject to conditions set out in this report, we recommend Council, lease the portion of Cassiar Street, shown hatched on appendix "A".

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APPENDIX 'A'



PROPOSED
LEASE AREA
(413m²±/4445ft²±)



REM
A
PLAN 100
EX. PLAN
2269

N
PLAN 16178

M
PLAN 16178

REF PLAN A
4
9213
PLAN 5461

ORIGINAL HIGH WATER MARK ACCORDING TO PLAN 100
R
PLAN 5461
16.135m
2.26m
30.175m

38.756m

43.881m

27.911m

TRINITY
STREET

CASSIAR
STREET

A
OF L
PLAN 13824

BRIDGEWAY

L
PLAN 16178

K
PLAN 5461

TERMS AND CONDITIONS ARE TO INCLUDE THE FOLLOWING PROVISIONS:

1. The initial term of the lease is to be ten (10) years, with the lease to contain a one (1) year notice of cancellation (exercisable at any time by the General Manager of Engineering Services), provided that such right of early termination shall only be exercised after the expiry of five (5) years of the term.
2. Annual rent inclusive of property taxes to be \$7,245 plus GST for year 1 -5 and \$7,969 plus GST for year 6 - 10.
3. The lease to contain one (1) option for an additional ten (10) year term on the same terms and conditions as set out in the lease except the rent payable which is to be at then market rate.
4. The City, and public utility companies including Metro Vancouver (Greater Vancouver Sewerage and Drainage district, "GVS&DD") will require access (without notice) to the lease Area 24 hours per day and 7 days per week for operation, inspection, maintenance, installation, construction, repairs, removal or replacement for all underground and overhead utilities. Known utilities at this time include water main and storm sewer mainlines.
5. Written confirmation from Metro Vancouver (GVS & DD) and Canadian Pacific Railway that they have no objections to the lease extension and that adequate arrangements for access to the Lease Area have been made to their satisfaction.
6. No new structures can be constructed within the Lease Area without the written permission from the General Manager of Engineering Services.
7. 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.
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 applicant to be responsible for all necessary plans and administration costs.
10. The full provisions of the lease agreement are 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.