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ADMINISTRATIVE REPORT

Report Date: July 17, 2009
Contact: Grant Woff
Contact No.: 604.871.6966
RTS No.: 08307
VanRIMS No.: 08-2000-20
Meeting Date: October 6, 2009

TO: Vancouver City Council

FROM: General Manager of Engineering Services in Consultation with the Director of Real Estate Services and the Director of Legal Services

SUBJECT: Lease of a Portion of 5th Avenue adjacent to 1155 E 6th Avenue

RECOMMENDATION

- A. THAT Council close, stop-up and lease to Shaw Cablesystems Limited ("Shaw") that portion of 5th Avenue (749 square metres / 8062 square feet) as shown in heavy outline on plan attached hereto as Appendix "A" subject to terms and conditions 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 close, stop-up and lease a portion of 5th Avenue as shown in bold outline on the plan attached hereto as Appendix "A" (the "Lease Area") to Shaw as the property owner of the abutting PID: 027-304-493 Lot A Block 83 District Lots 264A and 2037 Group 1 NWD Plan BCP33570 to allow an expansion of an existing parking area.

BACKGROUND

We have received a request from Shaw to expand their existing parking area over a portion of 5th Avenue in conjunction with Development permit DE411152 undertaken for surface parking improvements on the adjacent Lot A addressed as 1155 E 6th Avenue.

Shaw has operated at 1155 E 6th Avenue for approximately nine (9) years. As part of Shaw's business growth and ongoing service and facility improvement they seek to expand the parking area for fleet vehicle parking. This will result in an expansion of the overall parking area.

Shaw had entered into an agreement for use of the parking area over portions of 5th Avenue in good faith with Rapid Transit Project 2000 Ltd. believing they had authority to represent the City of Vancouver. As there is no foreseeable municipal use of the subject portion of 5th Avenue it is to the mutual benefit of Shaw and the City to therefore lease portions of 5th Avenue to recognize and legitimize the existing expansion of the adjacent parking area.

DISCUSSION

The lease of the street will be restricted to surface parking including site fencing, security, lighting and related electrical services, site grading, catch basins, manholes and related storm water services (the "Works"). The upgrade will provide improved vehicular movement, site lighting and security and contribute significantly to employee safety in day-to-day operations.

The Lease Area will be used by Shaw personnel and fleet vehicles and will not be used for public pay parking at anytime. No new structures are permitted within the Lease Area.

Due to the proximity to the skytrain station and the fact East 5th Avenue will remain as a vital utility corridor, this closure and lease can only be considered as a short term arrangement. BC Rapid Transit Company has no objections to the proposed lease and has given their written consent. Known utilities at this time include combined sanitary and storm sewer mainlines, Metro Vancouver force main, BC Hydro, Telus, and Terasan Gas.

The Director of Real Estate Services has negotiated a new lease, for a five (5) year term, subject to a sixths month's notice of cancellation, with an annual rental of \$6000.00 plus GST. The lease will also contain two (2) five year renewal options.

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.

FINANCIAL IMPLICATIONS

There are no financial implications.

CONCLUSION

The subject portion of 5th Avenue is not required for municipal purposes at this time. 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 C to facilitate the stopping-up, closure and lease of the street.

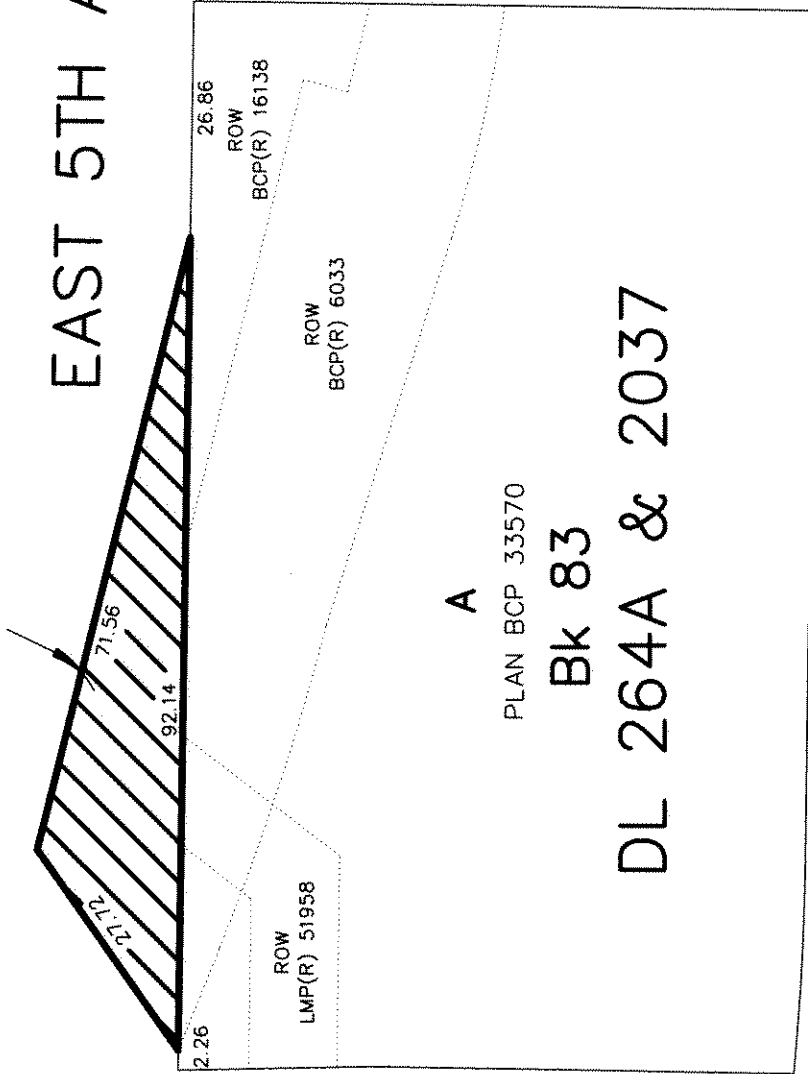
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APPENDIX A

PROPOSED LEASE AREA
749m² (8062 sq. ft.)

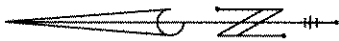
EAST 5TH AVENUE

KEITH DRIVE



DL 264A & 2037

EAST 6TH AVENUE



GLEN DRIVE

TERMS AND CONDITIONS ARE TO INCLUDE THE FOLLOWING PROVISIONS:

1. The initial term of the lease is to be five (5) years, with the lease to contain six (6) months notice of cancellation (exercisable at any time by the General Manager of Engineering Services).
2. Annual rent inclusive of property taxes to be \$6,000 plus GST.
3. The lease to contain two (2) options each for an additional five (5) 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 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 combined sanitary and storm sewer mainlines, Metro Vancouver force main, BC Hydro, Telus, and Terasan Gas.
5. Written confirmation from BC Hydro, Telus, Terasan Gas, BC Rapid Transit Company, and Metro Vancouver that they have no objections to the closure and lease or to the installation of the Works and that adequate arrangements for access to the Lease Area have been made to their satisfaction.
6. No structures other than the Works can be constructed within the Lease Area.
7. Shaw shall be responsible for:
 - a. maintenance of the road surface including drainage and snow removal;
 - b. insurance to the satisfaction of the Director of Risk Management
 - c. indemnities to the city for all liabilities to the satisfaction of the Director of Legal Services;
 - d. any changes to the road surface, beyond the proposed Works, will require the prior written approval of the General Manager of Engineering Services
 - e. restoration of the Lease Area, at the expiry of the lease, to the satisfaction of the General Manager of Engineering Services
 - f. the limiting of loads on the road area so as to prevent damage to the underground utilities. The weight of the vehicles is not to be in excess of H -20 specification.
8. The Lease area is used for surface parking for use solely by Shaw.
9. The applicant to be responsible for all necessary plans and administration costs.
10. Any agreement(s) to the satisfaction of the Director of Legal Services, the Director of Real Estate Services and the General Manager of Engineering Services.
11. No legal right or obligation shall be created and none shall arise hereafter, until the documents are executed by the parties hereto.