

ADMINISTRATIVE REPORT

Report Date: December 7, 2011
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VanRIMS No.: 08-2000-21
Meeting Date: January 17, 2012

TO: Vancouver City Council

FROM: Director of Real Estate Services

SUBJECT: Lease of City-owned property located at 2215 Commissioner Street to Smit Marine Canada Inc.

IN CAMERA RATIONALE

This report is recommended for consideration by Council in the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city.

RECOMMENDATION *

THAT Council authorize the Director of Real Estate Services to negotiate and execute a lease to Smit Marine Canada Inc. for City-owned property situated at 2215 Commissioner Street, legally described as That Part of the Bed and Foreshore of Burrard Inlet shown as Block D (Reference Plan 2347) Group 1 New Westminster District lying in front of Lots 1 and 2, District Lot 184, Plan 178 as shown on Appendix A, on the following terms and conditions:

Term: Five (5) years commencing June 1, 2011.

Rent: s. 17(1) (d) (e) & (f) and s. 21(1)

Use: Parking, Tow boat and barge operations

Renewal

Option: One 5-year option to renew

Other Terms

and
Conditions: The lease is to be provided on the City's Standard Commercial Lease and upon such terms and conditions satisfactory to the Directors of Legal and Real Estate Services, it being noted that no legal right or obligation shall arise until the lease is executed by both parties.

Rent to be credited to the Property Endowment Fund ("PEF").

REPORT SUMMARY *

The existing lease between the City and Smit Marine Canada Inc. ("Smit Marine") expired on May 31, 2011. Following negotiations, Smit Marine has agreed to a new five (5) year lease of the premises commencing on June 1, 2011 with an option to renew for a further five (5) years.

COUNCIL AUTHORITY/PREVIOUS DECISIONS *

The Directors of Finance and Real Estate Services can approve lease and lease renewals if:

- the total value is less than \$250,000;
- the term is no more than ten years (including renewal options);
- larger or longer leases require Council approval.

The proposed lease exceeds the total value of \$250,000 that can be approved by the Directors of Finance and Real Estate Services and is therefore submitted to Council for approval.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS *

The General Manager of Business Planning & Services RECOMMENDS approval of the foregoing.

REPORT

Background/Context *

Currently, the only two properties situated on Burrard Inlet that are not controlled by Port Metro Vancouver that provide water access to the City, are Rodgers Street End and 2215 Commissioner Street (the subject property), which was purchased by the City in the 1960's for that purpose.

The subject property is located on Burrard Inlet between Victoria Drive and Nanaimo Street and consists of a 4,957 sq. ft. portion of upland that is used for parking and a 94,176 sq ft water lot that is used by Smit Marine for their tow boat and barge operations.

Strategic Analysis *

Following negotiations, Smit Marine has agreed to a new five (5) year lease of the premises commencing on June 1, 2011 at a monthly rental rate of s. 17(1) (d) (e) & (f) and s. 21(1)

Implications/Related Issues/Risk (if applicable)

*Financial **

Rent to be credited to the Property Endowment Fund.

*CONCLUSION **

The Director of Real Estate Services is of the opinion that the rent payable for the five year term is representative of current market rental value for this portion of upland and the adjacent water lot, and a five year renewal option is deemed reasonable.

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