



ADMINISTRATIVE REPORT

Report Date: December 10, 2013
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VanRIMS No.: 08-2000-20
Meeting Date: December 17, 2013

TO: Vancouver City Council

FROM: The General Manager of Engineering Services in Consultation with the
General Manager of Real Estate and Facilities Management

SUBJECT: 876 Cordova Diversion - Lease of a Portion of Street

RECOMMENDATION

THAT Council close, stop-up, and lease to Tayvic Holdings Inc. that portion of Cordova Diversion as shown in heavy outline on the plan attached hereto as Appendix "B" (the "Lease Premises"), and authorize the Director of Legal Services to execute all necessary agreements, plans and other documents on behalf of the City, subject to the following terms and conditions, and additional terms and conditions noted in Appendix "A":

Term:	Twenty (20) years commencing June 1, 2014.
Area:	Lease area of approximately 240.5 square metres.
Use:	Surface parking for employees and customers.
Rent:	A nominal fee of \$10.00.
Option to Renew:	Two (2), each for a term of ten (10) years, on the same terms and conditions as set out in the Lease.
Other Terms and Conditions:	Terms and conditions of the Lease are to be drawn to the satisfaction of the Directors of Legal and Real Estate Services, it being noted that no legal rights or obligations shall arise or be created until execution of the Lease by both parties.

REPORT SUMMARY

The purpose of this report is to seek Council authority to close, stop-up and lease the Lease Premises to the owner of the abutting property at 876 Cordova Diversion (the "Property"), Tayvic Holdings Inc. (the "Owner"), for the purposes of surface parking for employees and customers of the Owner necessitated by the Powell Street Overpass Project.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The authority for stopping-up, leasing, and disposing of street and lanes or any part thereof is set out in Sections 289A and 291(b) of the Vancouver Charter.

On March 14, 2013, Council authorization was given In Camera for the contract award for design build of the Powell Street overpass.

On April 23, 2013, Council received a report for information in regard to the awarding of the Contract for the design-build of the Powell Street overpass to BA Blacktop.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

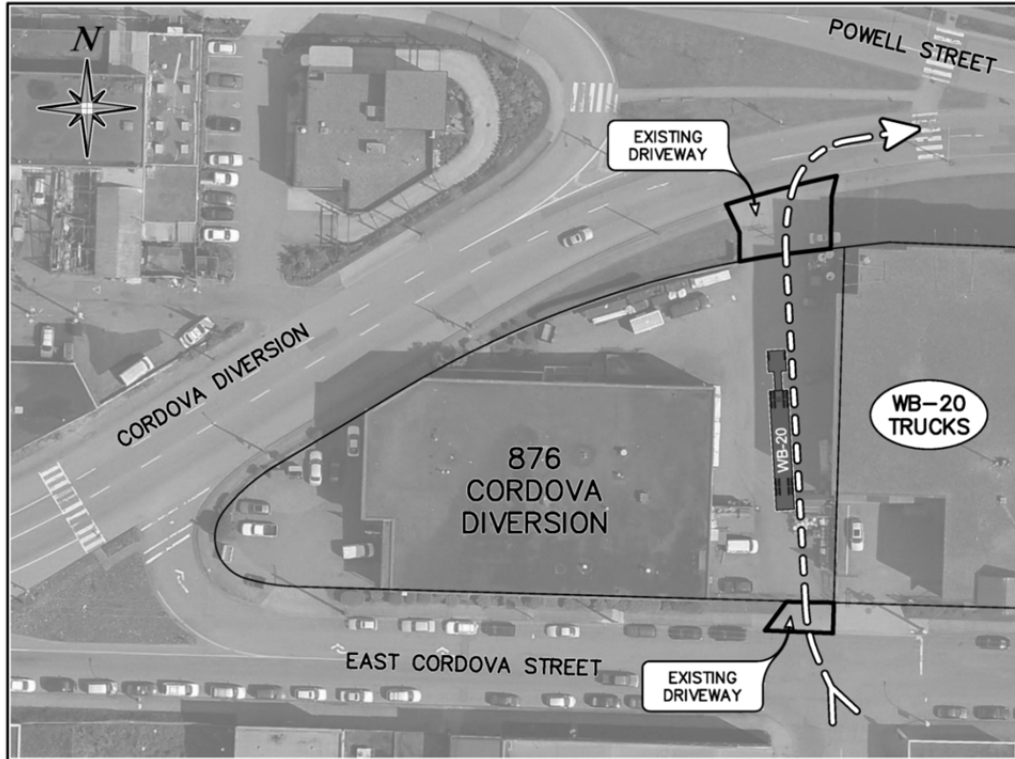
The General Manager of Engineering Services and the General Manager of Real Estate and Facilities Management recommend approval of the foregoing.

REPORT

Background/Context

Significant grade changes resulting from the construction of the Powell Street Overpass Project will render the property owners existing north driveway crossing at the Property impassable since the new Powell Street elevation will be approximately 4m higher than the current elevation at the driveway crossing. The current driveway configuration is shown on Figure 1 below.

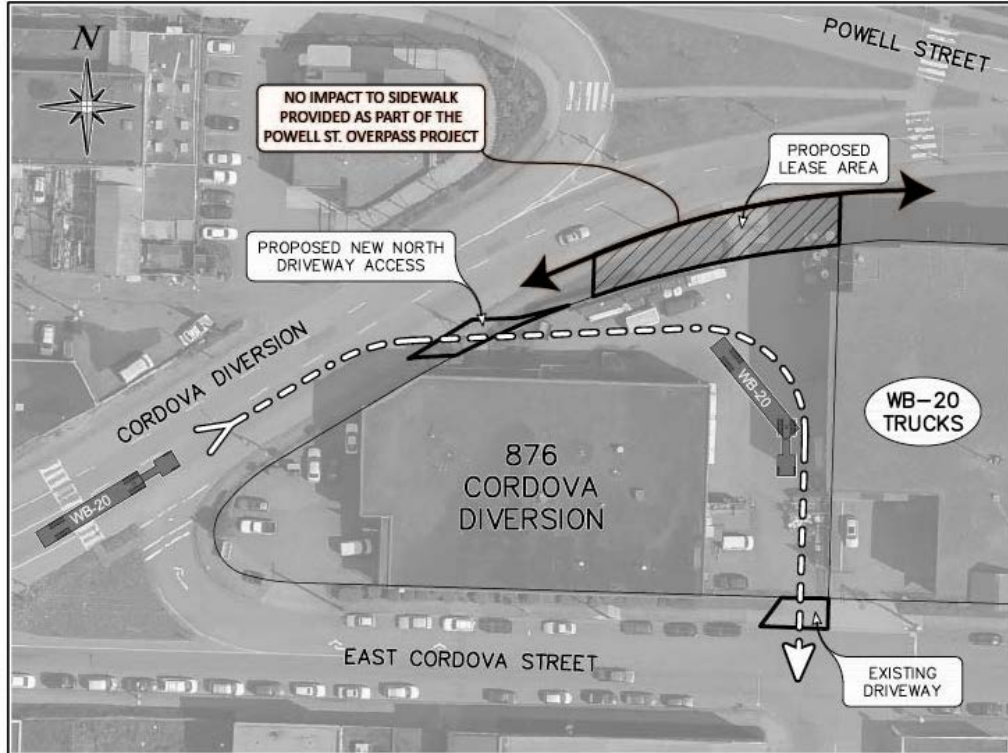
Figure 1 - 876 Cordova Diversion - Current Driveway Configuration



While the existing south driveway crossing is unaffected, the industrial Property requires two access points, one from the north and one from the south to facilitate through-movement of large trucks as there is insufficient forecourt manoeuvring space to allow WB-20 trucks to make a full 180 degree turn within the Property. The Property currently receives up to 5 WB-20 trucks per week in support of business operations.

Grade changes are minimal at the western portion of the Property and a new replacement north driveway crossing and access ramp can be constructed as depicted in Figure 2 to support the required truck movements. However, the ramp alignment conflicts with the existing use of this area for customer and employee parking. In order to ensure viable access to the Property, staff propose to stop-up, close, and lease 240.5 m² of City-owned Street to the Owner for use as parking for employees and customers.

Figure 2 - 876 Cordova Diversion - Proposed Driveway Configuration



To secure long-term use of the Lease Premises, the Owner wishes to enter into a lease agreement in accordance with the above Recommendation, and the additional terms and conditions as noted in Appendix "A". The lease agreement will include a provision for City and utility company access across private property along the new driveway access route for the purposes of inspection, maintenance and repair of City-owned infrastructure and utilities situated within, or immediately adjacent to, the Lease Premises (this includes water main, sewer, gas, hydro, and the Powell Street overpass retaining wall). The Lease Premises will not interfere with the sidewalk that is to be provided as part of the Powell Street Overpass Project.

Strategic Analysis

An Engineering Services review of this matter has concluded that the use of the street can be supported subject to the conditions contained in this report. The City has initiated these arrangements in order to mitigate the impacts of the Powell Street grade changes and to ensure viable access for the Property. Upon future re-development of the Property the driveway access will be re-configured and the lease will eventually be unnecessary.

*Implications/Related Issues/Risk (if applicable)**Financial*

The rent for the lease is proposed to be nominal since the need for the Owner to lease the Lease Premises has arisen solely from the City's construction of the Powell Street overpass and the resultant grade changes to Powell Street.

Reinstatement of a relocated north driveway access is a contractual obligation of BA Blacktop, the contractor for the Powell Street Project. Staff's recommended proposal represents a modest change from the original concept included in the bid from BA Blacktop, and so a change order may be required. This change order is expected to be less than \$60,000 and would be funded from the Powell Street Overpass Project CER-00117, within the approved 2013 Engineering Capital Budget

CONCLUSION

The General Manager of Engineering Services in consultation with the General Manager of Real Estate and Facilities Management, recommends approval of the Recommendation contained in this report.

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LEASE TERMS AND CONDITIONS

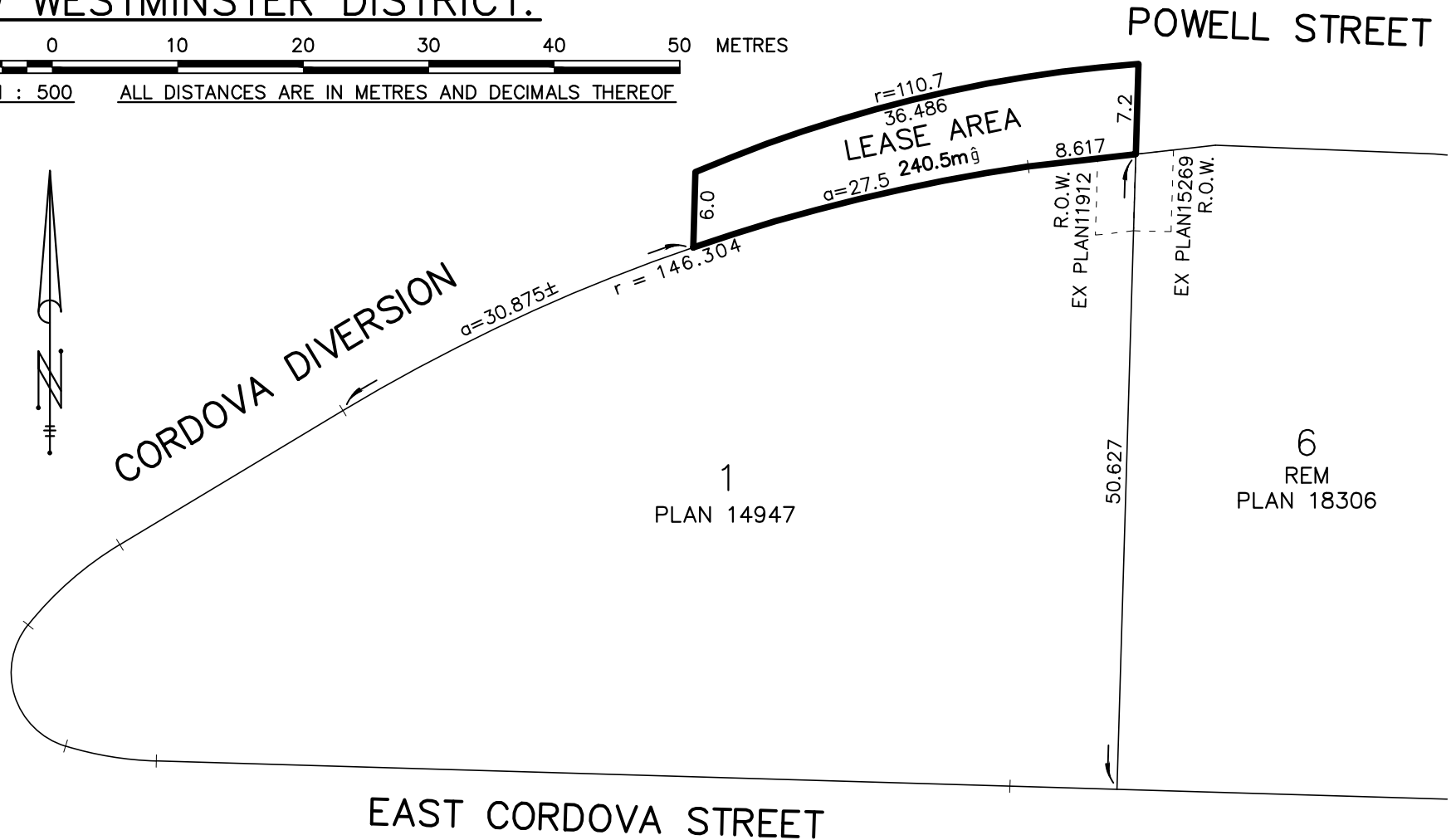
1. That the lease be granted to the abutting owner i.e. the owner of PID: 007-780-451, Lot 1 Blocks 49 and 50 District Lot 181 Plan 14947 ("Lot 1").
2. The lease is to include a provision to allow the City to provide notice of early cancellation of the lease to the Owner at any time, upon provision of a viable access and parking alternative, exercisable at the sole discretion of the GMES.
3. The lease will be assignable to future owners of Lot 1 upon sale of the Property.
4. The Lessee will use the Lease Premises for the purposes of employee and customer surface parking only.
5. The Lessee will not store hazardous or flammable substances within the Lease Premises.
6. The Lessee will be responsible for:
 - i) Maintenance of the Leased Premises' surface including drainage, snow and litter removal;
 - ii) Any changes to the Lease Premises, beyond what is proposed for an employee and customer parking surface will require prior written approval from the GMES;
 - iii) Restoration of the Lease Premises upon expiry or termination of the lease to the satisfaction of the GMES;
 - iv) The limiting of loads on the Leased Premises so as to prevent damage to the underground utilities. The weight of the vehicles is not to be in excess of H020 specification.
7. The City and public utility companies will require access (without notice upon an emergency and on two weeks' notice otherwise) to the Lease Premises and the adjacent City street, including access for personnel, vehicles and equipment across Lot 1 via the driveways on Lot 1, 24 hours per day and 7 days per week, for operation, inspection, maintenance, installation, construction, repairs, removal or replacement of all City infrastructure and utilities in the street. Known utilities at this time include Fortis Gas, BC Hydro, water and sewer.
8. No structures are permitted within the Lease Premises.
9. The Lessee to provide releases and indemnities to the City as deemed appropriate by and in the form and contents satisfactory to the Director of Legal Services and insure the Leased Premises with insurance policies to the satisfaction of the Director of Risk Management.

10. The lease to contain such other terms and conditions satisfactory to the DLS, DRES and the GMES.
11. The lease agreement and any other agreements related to or which are to be entered into as conditions of granting the lease are to be on terms and conditions satisfactory to the DLS.
12. The DLS or the DRES, as applicable, be authorized to execute all plans, transfers, and documents as required.
13. No legal right or obligation shall be created and none shall arise hereafter, until the documents are executed by the parties thereto.

SKETCH PLAN SHOWING PROPOSED LEASE AREA OVER A PORTION OF ROAD ADJACENT TO LOT 1, BLOCKS 49 AND 50, DISTRICT LOT 181, PLAN 14947, GROUP ONE, NEW WESTMINSTER DISTRICT.

10 0 10 20 30 40 50 METRES

SCALE 1 : 500 ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF



NOTE:

DRAWING BASED ON STP GEOMETRIC:
 '876 SKETCH PLAN.DWG' RECIEVED OCT 21 2013

ALL MEASUREMENTS ARE SUBJECT TO FIELD SURVEY