



**IN CAMERA**

## **REPORT**

Report Date: May 11, 2022  
Contact: Jerry Evans  
Contact No.: 604.873.7430  
RTS No.: 15123  
VanRIMS No.: 08-2000-21  
Meeting Date: May 17, 2022

TO: Vancouver City Council

FROM: General Manager of Real Estate and Facilities Management in consultation with General Manager of Engineering Services and General Manager, Finance, Risk & Supply Chain Management

SUBJECT: Proposed Closure and Lease - A Portion of Suzhou Alley between Carrall Street and Shanghai Alley to S.U.C.C.E.S.S. Multi Level Care Society at 555 Carrall Street, Vancouver

## **IN CAMERA RATIONALE**

This report is recommended for consideration by Council on 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**

- A. THAT Council close, stop-up and lease to S.U.C.C.E.S.S. Multi Level Care Society ("SUCCESS"), a 2,400 square feet portion of Suzhou Alley located between Carrall Street and Shanghai Alley, legally described as: That portion of Suzhou Alley, adjacent north to Lot 4, Block 17 District Lot 541, Plan LMP36143 (the "Subject Area"), as illustrated in Appendix A.
- B. THAT Council authorize the Director of Real Estate Services to negotiate and execute a lease for the Subject Area, subject to the following conditions:
  - i. The term of the lease to commence June 1, 2022 for five (5) years, subject to one (1) year's notice of cancellation, if the area is required for any municipal purpose;
  - ii. The total rent is **s.17(1)** per annum, including payment-in-lieu of property taxes as if levied plus GST;

- iii. SUCCESS to maintain liability insurance to the satisfaction of the Director of Risk Management;
  - iv. There are to be no structures other than site fencing, patio furniture, and landscaping constructed within the Subject Area; and
  - v. Any agreements are to be drawn to the satisfactory of the Director of Real Estate Services, the General Manager of Engineering Services and the Director of Legal Services.
- C. THAT Council approve a grant in lieu of rent in the amount of **s.17(1)** plus GST per annum, leaving a net annual rent payable by SUCCESS of **s.17(1)** plus GST.
- D. THAT no legal rights or obligations shall arise or be created by Council's adoption of Recommendations B & C until all documents are fully executed to the satisfaction of the Director of Legal Services.

Recommendation C is considered a grant and requires a 2/3 affirmative vote of all Council members in accordance with section 206(1)(a) of the *Vancouver Charter*.

## **REPORT SUMMARY**

S.U.C.C.E.S.S. Simon K. Y. Lee Senior Care Home located at 555 Carrall Street is home to 114 seniors. The care home was developed in 2000 on City-owned land. The care home has a ground lease with the City that expires on October 4, 2059. This report seeks Council authority to close, stop up, and negotiate and execute a lease with S.U.C.C.E.S.S. Multi Level Care Society for a portion of Suzhou Alley for a five (5) year term in order to allow for the installation of fencing to address issues of public safety and security. The proposed rent for the lease payable by SUCCESS represents a grant in lieu of rent, and requires the affirmative vote of 2/3 of all Council members.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

Pursuant to Section 206(1)(a) of the *Vancouver Charter*, not less than two-thirds of all members of Council must approve a resolution for a grant. A lease of City-owned property at less than market rent is considered to be a grant.

In April 1995, a similar proposal was presented and Council resolved to close, stop up and lease a 10,032 square foot portion of Dunlevy Avenue located between Pender Street and Keefer Street, to Mau Dan Gardens Co-operative Housing Association ("Mau Dan") in order to allow for the installation of fencing around their property for improvement of safety and security. The closure received the support of residents in the community, the Police, and the Engineering Services departments.

The portion of the closed road was then leased to Mau Dan for five (5) years at a rent of **s.17(1)** per annum plus GST to compensate the City for restricting the road from public use.

In the summers of 2000, 2005, 2010 and 2015, Mau Dan, requested the City to renew the lease at below market value rent. On each occasion, Council supported Mau Dan and staff recommendations to renew the lease for a further five (5) year term at below market rent. Most

recently, Vancouver City Council at its regular meeting on September 15, 2020, approved a five (5) year lease at an annual rate of **s.17(1)** plus GST subject to a grant in lieu of rent of **s.17(1)** plus GST, for a net below market.

### ***CITY MANAGER'S COMMENTS***

The City Manager supports the foregoing recommendations.

### ***REPORT***

#### ***Background/Context***

Suzhou Alley is located between Lim Sai Hor Kow Mock Benevolent Association to the north, Carrall Street to the east, S.U.C.C.E.S.S. Simon K. Y. Lee Senior Care Home to the south and Shanghai Alley to the west. Suzhou Alley is not open to traffic and is used as a pedestrian walkway.

SUCCESS has been experiencing a dramatic increase in crime in Suzhou Alley as well as ongoing issues with sanitation and abandoned garbage.

SUCCESS acknowledges measures have been put in place by the City and volunteer groups to ensure the cleanliness and safety of Suzhou Alley. Unfortunately, SUCCESS still experiences frequent damages and crime to its property. To mitigate crime and to create a safer environment for seniors, families and staff, SUCCESS seeks a portion of Suzhou Alley (the "Subject Area", as described in Recommendation A) to be closed and stopped up.

#### ***Strategic Analysis***

The closure and stopping-up of the Subject Area will benefit S.U.C.C.E.S.S. Simon K. Y. Lee Senior Care Home as well as Lim Sai Hor Kow Mock Benevolent Association. Lim Sai Hor Kow Mock Benevolent Association submitted a letter of support to staff dated August 31, 2021, attached as Appendix C, commenting on the importance of the alley closure for safety and security for both resident seniors and staff at Simon K.Y. Lee Seniors Care Home.

SUCCESS plans to fence off the Subject Area to create an outdoor amenity area for seniors, families and staff to utilize.

#### ***Implications/Related Issues/Risk***

##### ***Financial***

By granting a subsidized rental rate (i.e. rent established at below market rates), Council will be conveying a financial benefit to SUCCESS. While no funding is required for this financial benefit, it is considered a grant in lieu of rent and as such must be approved by 2/3 affirmative vote of all Council members.

Review of current rental rates in the vicinity suggests a fair market rent for the Subject Area to be s.17(1) per annum plus GST. Staff recommends the Subject Area lease be negotiated at a below market rent of s.17(1) per annum plus GST, which requires a grant in lieu of rent of s.17(1) plus GST.

The net rental income will be credited to the PEF, as is City policy for lease or sale proceeds derived from City-streets.

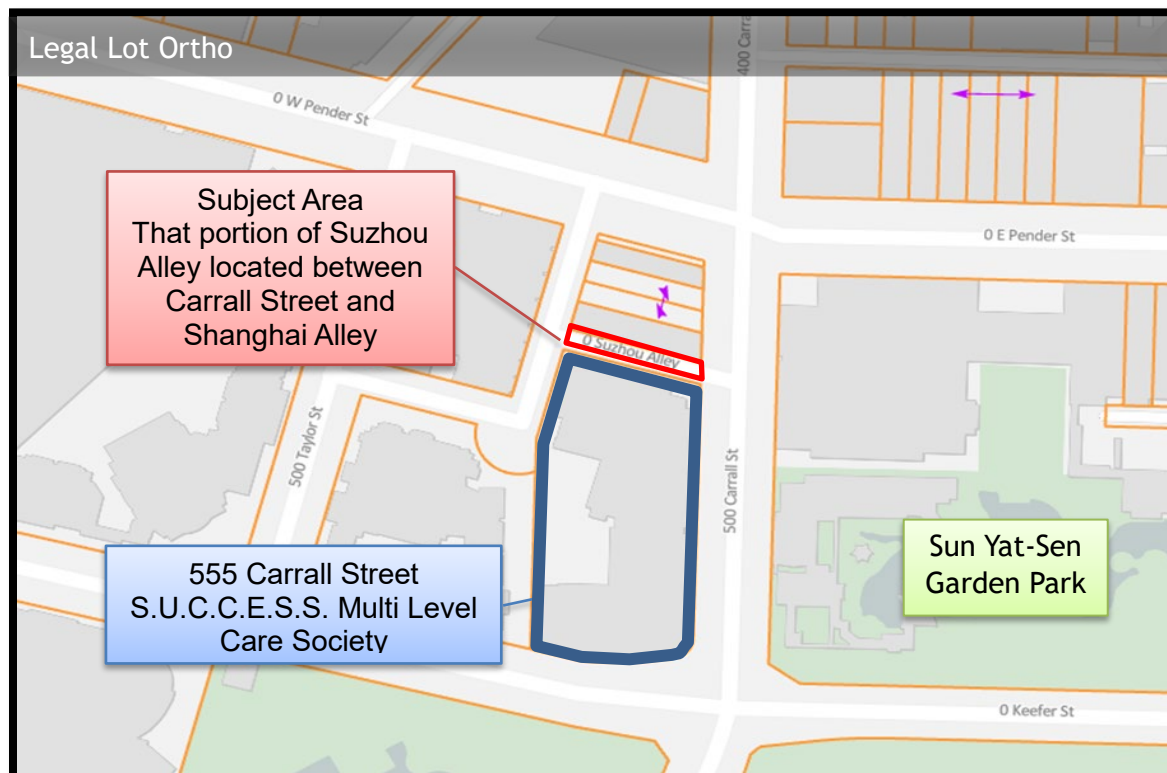
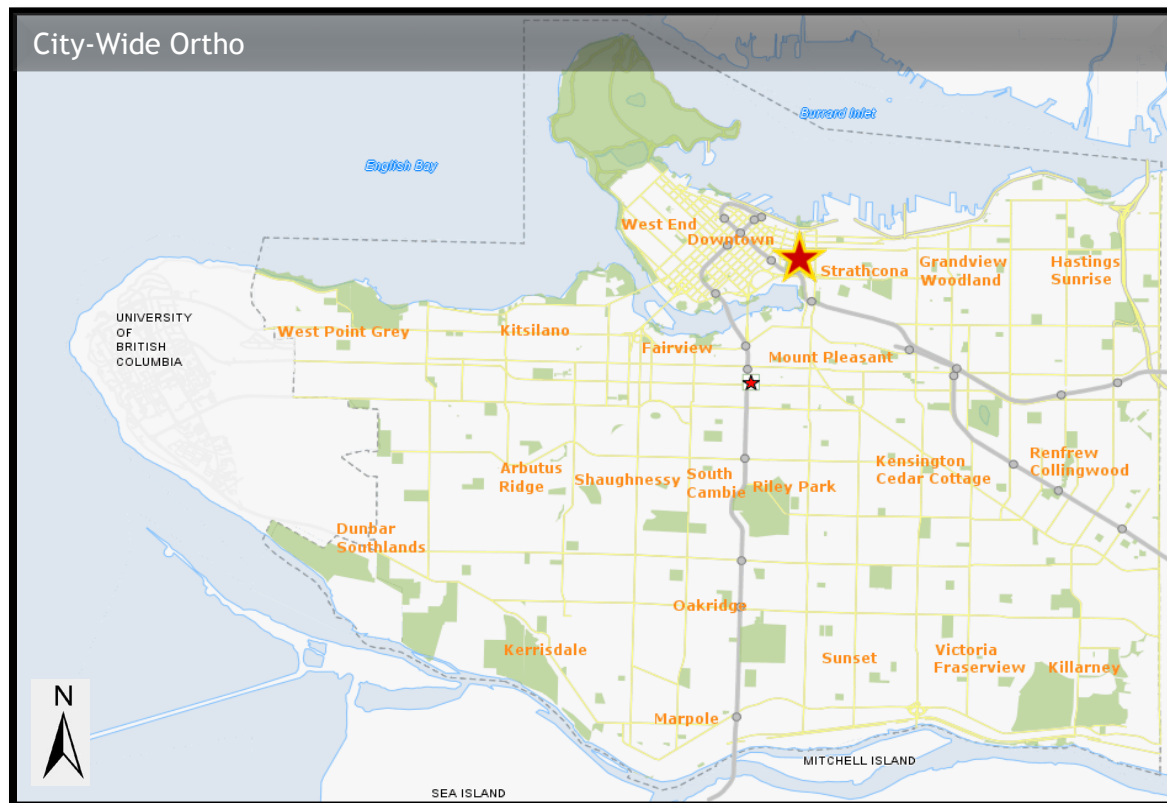
## **CONCLUSION**

The General Manager of Real Estate and Facilities Management, the General Manager of Engineering Services and the General Manager, Finance, Risk & Supply Chain Management support the closure, stop up and lease of the Subject Area in order to allow for the installation of fencing by SUCCESS to address issues of public safety and security.

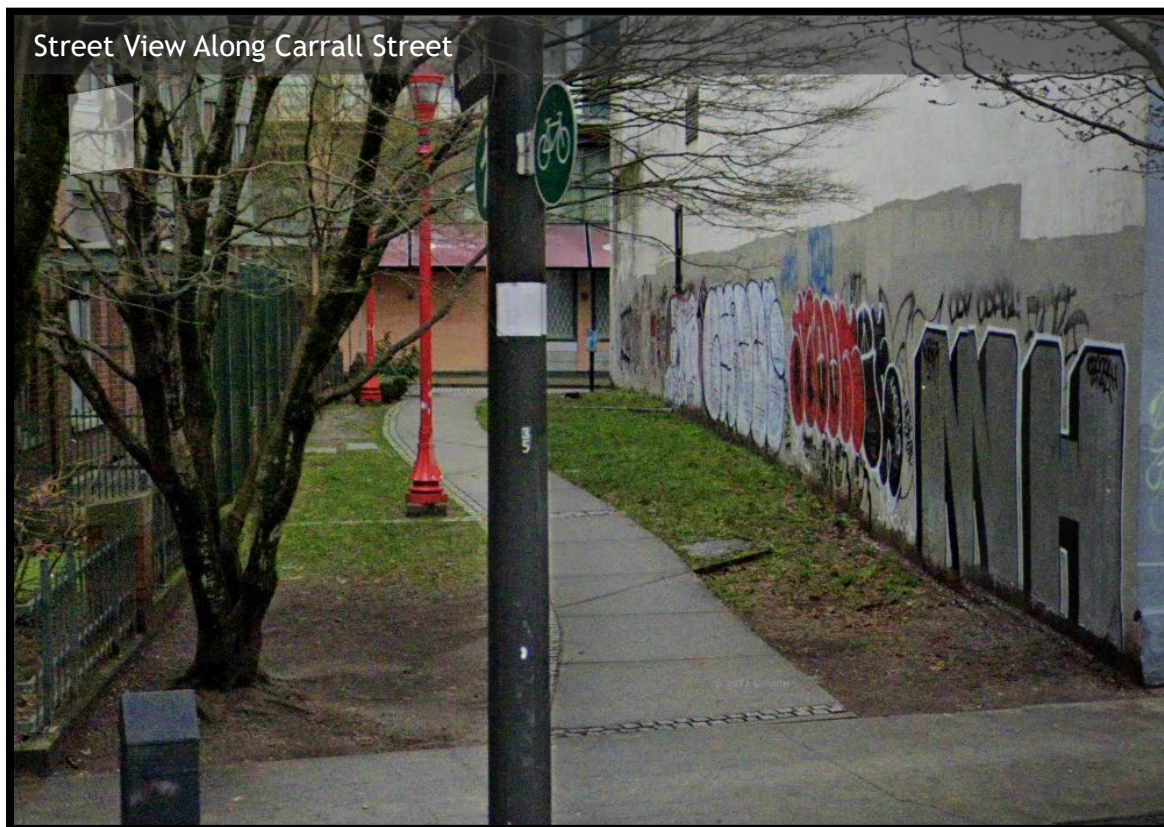
Staff recommends that Council approve Recommendations A, B, C and D of the report for a grant in lieu of rent.

\* \* \* \* \*

Subject Area

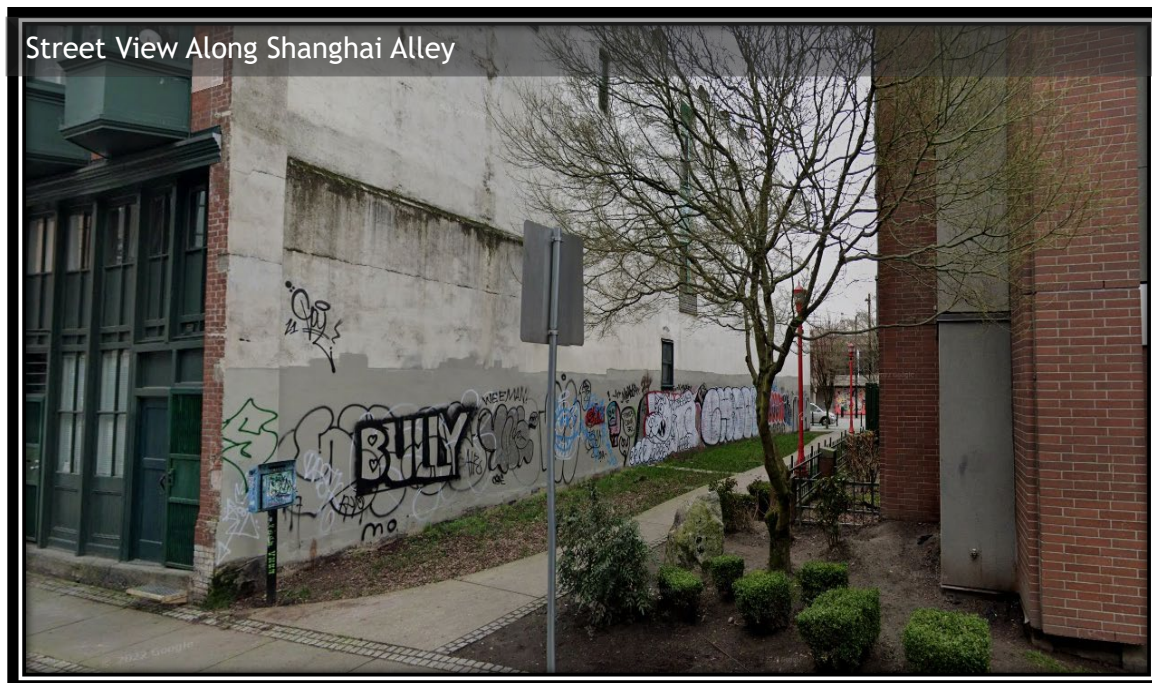




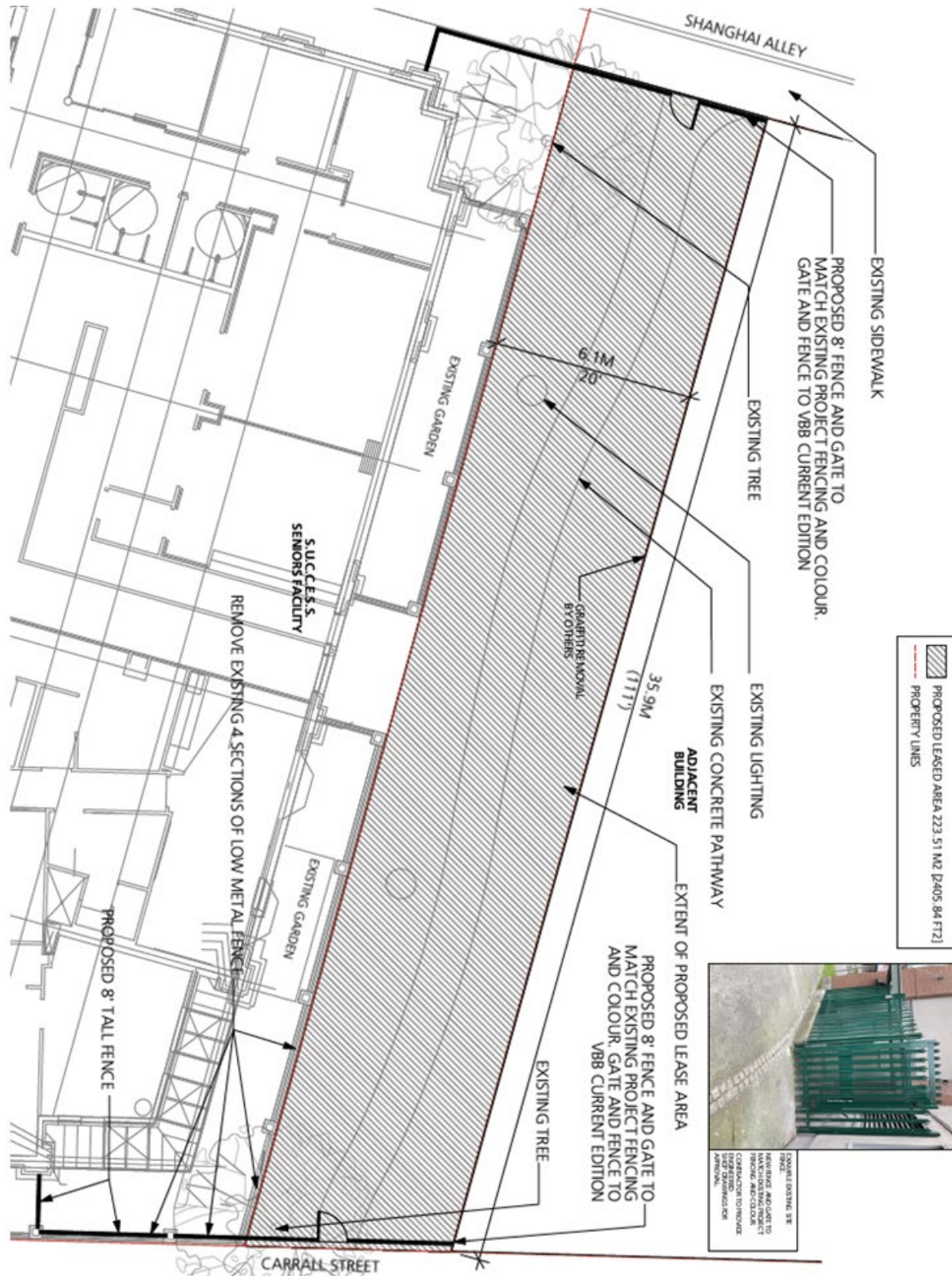




Street View Along Shanghai Alley



Proposed Fencing Plan Submitted by SUCCESS







**S.U.C.C.E.S.S. Multi-Level Care Society**

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**"Care For The Seniors Like Our Own"**

David Parkin  
Surveyor III  
Land Survey Branch Office  
Engineering Services  
507 W. Broadway 5th Floor  
Vancouver, BC V5Z 0B4

**Re: Letter of Request**

Dear Mr. Parkin,

We are writing this letter of request to initiate the closure of the City right of way between Lim Sai Hor Kow Mock Benevolent Association at 525 Carrall Street and S.U.C.C.E.S.S. Simon K Y Lee Seniors Care Home at 555 Carrall Street Vancouver.

The goal of our request is to ensure safety and security of the seniors who live at Simon KY Lee and the staff who work there. S.U.C.C.E.S.S. Simon KY Lee is the home to 114 elderly residents with over 120 staff. The street right of way, between our building and Lim Sai Hor Kow Mock Benevolent association is a popular gathering place for the transient population from downtown east side.

This location is often used by the transient population as shelter or gathering to conduct high risk activities and drug use. We frequently find used needles, garbage and feces in this area. This poses a safety risk and impacts the health and safety of our seniors, families and staff who utilize this street right of way..

We acknowledge that different measures have been put in place by the City and volunteer groups to ensure the cleanliness and safety of the City right of way and we have been a strong supporter of those measures. Unfortunately, we are still experiencing frequent damages to our property from the recurrent destruction to our property including digging up of our scrubs, lighting up fires and breaking windows.



**S.U.C.C.E.S.S. Multi-Level Care Society**  
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**"Care For The Seniors Like Our Own"**

The benefits of this fence closure will allow our seniors, families and staff to utilize the space, without feeling their safety is endangered. In addition, we will be able host outdoor activities for the residents and families.

We have spoken to our neighbor Lim Sai Hor Kow Mock Benevolent Association and the letter of support for this request is attached. We have also spoken to our staff as well as residents and their families. They all feel that the fence enclosures will give them a sense of safety and peace. So far we have not had any objections from parties that may potentially be impacted by this proposal.

We also conducted a preliminary review of the grounds to be enclosed and there are no utilities or infrastructure that will be impacted by the installation of this fence.

Since safety and wellness of our residents and staff are our priority, we hope that you would support this request.

Should you need any more information about the project, please do not hesitate to contact us. Please let us convey our appreciation for your time and consideration for this project. We are looking forward to hearing from you in moving this important project forward to ensure health and safety of this neighborhood.

Thank you for your time and kind consideration.

Sincerely,

Sinder Kaur  
Executive Director, Health Services  
SUCCESS Multi Level Care Society

CC

Lon LaClaire, General Manager, Engineering Services  
Karima Mulji, Director, Engineering Projects & Development Services, Engineering Services  
Sarah Kirby-Yung, Councillor – City of Vancouver



加拿大林西河總堂九牧公所  
**LIM SAI HOR (KOW MOCK) BENEVOLENT ASSOCIATION**  
531 Carrall Street, Vancouver, B.C. Canada V6B 2J8  
Tel/Fax: (604) 681-2488

August 31, 2021

To Whom It May Concern:

The Lim Sai Hor Kow Mock Benevolent Association, celebrating its 91<sup>st</sup> year of promoting and supporting Social and Benevolent Services for members, seniors and the community, is pleased to submit this letter of support for a controlled closure of the City right of way between our 1903 Historic Heritage Building and the S.U.C.C.E.S.S. Simon K.Y. Lee Seniors Care Home at 555 Carrall Street, Vancouver.

S.U.C.C.E.S.S. Simon K.Y. Lee is the home to 114 elderly residents with over 120 staff. The right of way open space between our buildings has been a gathering place for transients to loiter and illicit drug injections for the past 20+ years.

Lim Sai Hor Kow Mock Benevolent Association concurs with S.U.C.C.E.S.S.'s goal to ensure safety and security for both the resident seniors and staff at Simon K.Y. Lee Seniors Care Home.

Over the years, numerous initiatives have been attempted by the City and various volunteer groups to ensure safety and cleanliness to the City right of way. Unfortunately, our properties experience constant graffiti, garbage, and damages including the shrubberies being dug up, fires started and windows broken.

Benefits of a controlled closure will provide seniors and families to make productive utilization of the open space without compromising their safety. Additionally, S.U.C.C.E.S.S. Simon K.Y. Lee Seniors Care Home should then be in a position to host outdoor activities for the resident seniors, families, and volunteers.

Thank you.

Sincerely,

Orville D. Lim  
Vice-President