



ADMINISTRATIVE REPORT

Report Date: August 31, 2009
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VanRIMS No.: 08-2000-20
Meeting Date: October 6, 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 the Lanes adjacent to 2925 and 2953 East 15th Avenue

RECOMMENDATION

- A. THAT Council close, stop-up and lease to the abutting owners (Roman Catholic Archbishop of Vancouver) those lanes bounded by Nootka and Renfrew Streets and 14th and 15th Avenues as shown in heavy outline and hatched on the plan attached hereto as Appendix "A" subject to terms and conditions as noted in Appendix "B".
- B. THAT the Director of Legal Services be authorized to execute all documents.
- C. THAT no legal right or obligation shall be created and none shall arise hereafter, until the documents are executed to the satisfaction of Legal Services.

The lease being for a nominal annual rental of \$500, it is in effect a grant for the use of city property for less than market value, with the recommendation requiring two-thirds consent of Council members.

COUNCIL POLICY

The authority for closing and disposing of streets and lanes is set out in the Vancouver Charter.

Section 206(1) (a) of the Vancouver Charter states that two-thirds of all members of Council must approve a resolution for the making of a money grant to an institution (lease of City property at less than market rent is considered a grant).

PURPOSE

The purpose of this report is to seek Council authority to renew the lease to the abutting property owner (The Roman Catholic Archbishop of Vancouver) of the lanes bounded by Nootka and Renfrew streets and 14th and 15th Avenues as shown in heavy outline and hatched on the plan attached hereto as Appendix "A" so as to allow the continued use for access and parking.

BACKGROUND

The subject area has been leased to the Roman Catholic Archbishop on an annual basis since 1956 at a nominal \$5.00 rent and is currently on a year to year holdover.

The entire block is currently developed with a Roman Catholic School/Church complex. The Roman Catholic Archbishop of Vancouver is the registered owner of the adjacent lots (Lots 1, 2 and 3 Block B Section 43 Town of Hastings Suburban Lands Plan 11660). The church is a non-profit society and they are not generating any income from use of the lanes. The lanes are not currently open to the public and are being used for access, parking and some grassed surfacing. Staff have been able to determine that there is no foreseeable municipal use of the lanes in the next 10 years and are therefore prepared to recommend to Council the 10 year term.

The Roman Catholic Archbishop has agreed to enter into a new lease with the City. The rent for the new lease is \$500 per annum which is a significant increase from the current rate but still below market value.

DISCUSSION

This lease will allow for the continued use of the lanes for parking and access to the church and school. The lanes will continue to function as a public utility corridor and the lease will provide the City with the appropriate indemnities.

The Director of Real Estate Services has negotiated a new lease, for a 10 year term, subject to a 12 months notice of cancellation, with an annual rent of \$500 plus GST.

The final lease agreement will be drawn to the satisfaction of the General Manager of Engineering Services, the Director of Legal 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, noting the lease is for a nominal annual rent of \$500.00 in accordance with the recommendation of the Director of Real Estate Services.

CONCLUSION

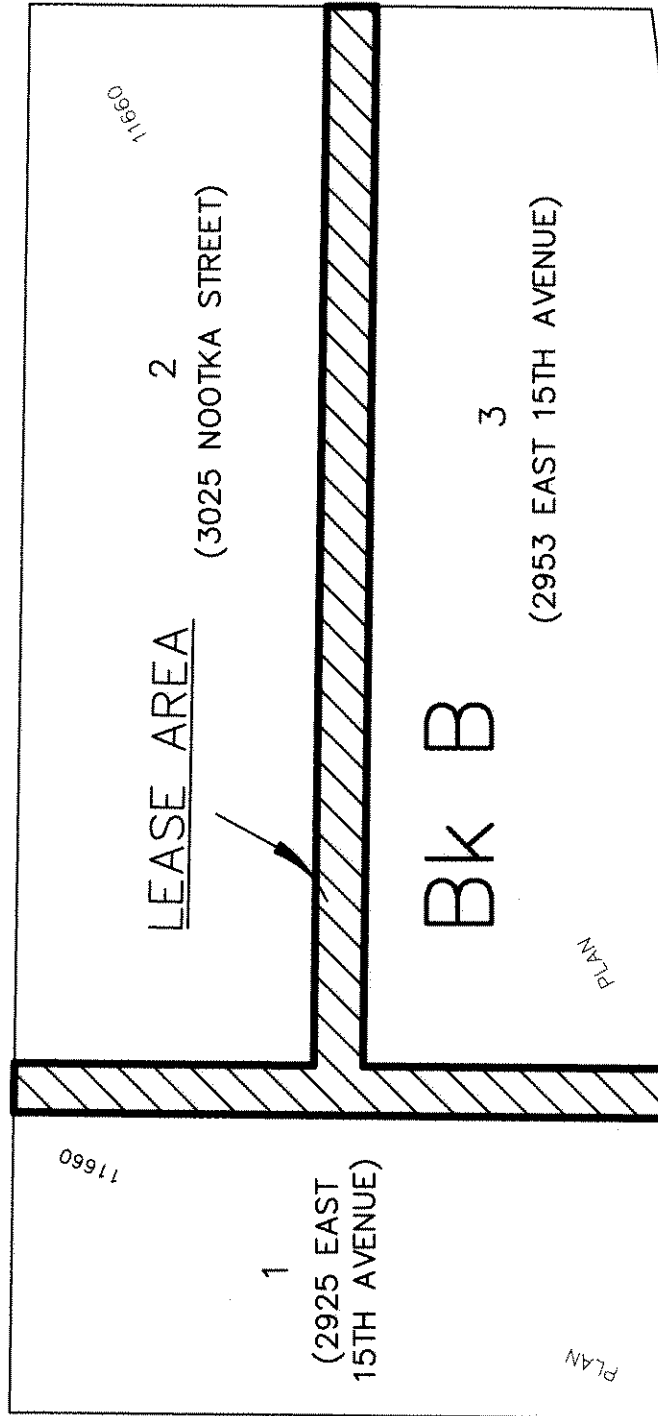
The subject lanes are not required for street purposes at this present time. The proposed lease will provide indemnification for the City and will require that the lessee be responsible for the maintenance of the lease area. The General Manager of Engineering Services, in consultation with the Director 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 Lanes.

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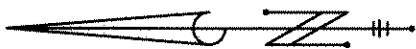
APPENDIX A

NOOTKA STREET

EAST 14TH AVENUE



EAST 15TH AVENUE



RENFREW STREET

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 twelve (12) months cancellation clause.
2. Annual rent inclusive of property taxes to be \$500 plus GST.
3. The lease to contain one (1) option for an additional five (5) year term on the same terms and conditions.
4. The city and outside utility companies to retain the right to access (without notice) to the Lease Area 24 hours per day and 7 days per week for operations, inspection, maintenance, installation, construction, repairs, removal or replacement for all underground and overhead utilities. Known utilities include sewer mainlines, underground Hydro and Telus and overhead Hydro, Telus and Shaw.
5. No new structures can be constructed over the lease area without written permission from the General Manager of Engineering Services.
6. 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.
7. Upon expiry date or termination of the lease, the lessee is responsible for restoration of the Lease Area to the satisfaction of the General Manager of Engineering Services.
8. The use of the Lease Area to be strictly for access and parking.
9. The lessee is to maintain the lease area in a neat, tidy and safe condition, including maintenance of the road surface and responsibility for drainage and snow removal in a manner satisfactory to the General Manager of Engineering Services.