
TO: CITY MANAGER **DATE:** 2005 June 15
FROM: CITY SOLICITOR **FILE:** 9100-25
SUBJECT: 7320 BULLER AVENUE - LEASE TO WARNER BROS. FOR
SMALLVILLE
PURPOSE: To Seek Council Authority for a further Three (3) Year Lease of the Subject
Property

RECOMMENDATION:

1. **THAT** Council authorize the execution of a lease to Smallville 3 Films Inc. as outlined in this report.

REPORT**BACKGROUND**

The City has been leasing the subject property as film production location to Smallville 3 Films Inc. since mid 2002. The latest renewal period expires July 31, 2005 and the previous rate structure which includes property taxes was as follows:

- (a) August 1, 2003 to January 31, 2004 @ \$32,500 CDN per month;
- (b) February 1, 2004 to July 31, 2004 @ \$32,500 CDN per month;
- (c) August 1, 2004 to January 31, 2005 @ \$35,000 CDN per month;
- (d) February 1, 2005 to July 31, 2005 @ \$35,000 CDN per month.

EXISTING SITUATION

Smallville 3 Films Inc. has requested an additional three (3) year occupancy under the same terms as the previous agreement with the City. A new rate structure has been proposed and is recommended to Council by staff as follows:

- (a) August 1, 2005 to July 31, 2006 @ \$36,050 CDN per month;
- (b) August 1, 2006 to July 31, 2007 @ \$37,132 CDN per month;
- (c) August 1, 2007 to July 31, 2008 @ \$38,245 CDN per month.

To: City Manager
From: property negotiator
Re: 7320 Buller Avenue - Lease to Warner Bros. for
Smallville

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The year to year change in rates reflects a three (3%) percent increase which is in line with both the usual property tax increase and industry standards for large scale industrial lease space.


CITY SOLICITOR

HK:pt

Copied to: Director Finance
Director Planning & Building
Director Engineering