
TO: CITY MANAGER **DATE:** 2010 March 18

FROM: DIRECTOR FINANCE

SUBJECT: LEASE OF CITY PROPERTY AT 6117 MARINE WAY

PURPOSE: To seek Council authority to enter into a new lease agreement with Aldan Enterprises Ltd. whereby they would continue to lease 6117 Marine Way from the City for agricultural purposes.

RECOMMENDATION:

1. **THAT** Council authorize staff to enter into a lease agreement with Aldan Enterprises Ltd. whereby they would lease 6117 Marine Way from the City for agricultural purposes for a five year term, as outlined in this report.

REPORT

The subject property at 6117 Marine Way has been leased to Aldan Enterprises Ltd. (Dan and Alfred Kwan), the owners of 6151 and 6178 Thorne Avenue, for nursery cultivation and temporary cold frame greenhouse use since 2004 March 01st. Their lease with the City was for an initial two year term with three one year options. The last renewal term has expired and the lessees would like to renew their arrangement with the City for another five years. This property is 19,139 square feet in area and was a residual parcel remaining in City ownership after the taking of right-of-way by the province for the construction of the Marine Way right-of-way. It has no direct public access except through the Kwan's property. The parcel is zoned A2 Small Holdings District and its use for agriculture is in conformance with the Big Bend Development Plan.

PROPOSED LEASE AGREEMENT

The lease arrangement has expired and it is recommended that staff be instructed to enter into a new five year agreement with Aldan Enterprises Ltd. subject to the following conditions:

- Rent at \$1660.00 per annum. The annual lease rate will be increased by 5% per year throughout the term of the lease.
- Payment by the Lessee of all property taxes, levies and assessments applicable to the property.
- The Lessee shall obtain and maintain insurance as required by Risk Management.

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- The property is leased subject to existing easements, rights-of-way, covenants, encumbrances, and charges.
- The property is leased as is and the city assumes no responsibility for the state and condition of the property or for the suitability of the land for agricultural purposes. All site maintenance and utilities will be the responsibility of the Lessee.
- The Lessee shall keep the property free of all pollutants and shall not permit the property to be used for storage, treatment, generation, transportation, processing, handling or disposal of pollutants.
- The Lessee shall observe and abide by all laws, bylaws, orders, and regulations affecting the property.
- Either party may, in its sole discretion, terminate this Agreement upon giving ninety (90) days written notice of termination to the other party.

The continued agricultural use of this remnant parcel by neighbouring property owners maximizes its utility and productivity with an activity that supports its agricultural zoning designation. The Planning Department concurs with this recommendation.



Riek Earle
DIRECTOR FINANCE

cc: Director Planning & Building
City Solicitor