

NO: R147

COUNCIL DATE: July 25, 2022

REGULAR COUNCIL

TO: Mayor & Council **DATE: July 19, 2022**

FROM: General Manager, Engineering **FILE: 0930-30/093**
General Manager, Parks, Recreation & Culture

SUBJECT: Proposed Partnering and Lease Agreement for the lease of City-Owned Property Located at 10605 City Parkway and Portions of 10601 City Parkway and 13458 – 107A Avenue (BC Lions Football Limited Partnership)

RECOMMENDATION

The Engineering Department and the Parks, Recreation & Culture Department recommend that Council:

1. Authorize the Mayor and City Clerk to execute a Partnering Agreement between the City and BC Lions Football Limited Partnership, subject to compliance with the public notice provision of the *Community Charter, SBC 2003, C.26*, as generally described in this report; and
2. Authorize the Mayor and City Clerk to execute a Lease Agreement to provide the BC Lions Football Limited Partnership a new 5-year lease of the City premises located at 10605 City Parkway and portions of 10601 City Parkway and 13458 – 107A Avenue as generally illustrated in Appendix “I” attached to this report, subject to the execution of the Partnering Agreement and compliance with the public notice provisions of the *Community Charter, SBC 2003, C.26*, as generally described in this report.

INTENT

The purpose of this report is to obtain Council’s approval to enter into a Partnering Agreement and Lease Agreement with the BC Lions Football Limited Partnership (the “Lions”) for City lands and building located at 10605 City Parkway and portions of 10601 City Parkway and 13458 – 107A Avenue (the “Premises”).

BACKGROUND

Location

The Premises is situated in Surrey City Centre between City Hall and Gateway Skytrain Station on City Parkway directly south of the Chuck Bailey Recreation Centre. The Premises includes 10605 City Parkway and portions of 10601 City Parkway and 13458 – 107A Avenue as shown in Appendix “I”. The Premises are improved with a 2,100 m² two-storey building.

History

Since acquiring the lands in 1991, the City has leased the Premises to the Lions for their head office and training facility. The current lease is in its final year and the Lions have requested that a new five-year lease be granted by the City to allow them to continue with their football operations at this location.

DISCUSSION

BC Lions Community Engagement

The Lions current lease expires at the end of December 31, 2022. Market lease rates and land values in the City Centre have risen dramatically during the last several years due to substantial real estate investment by private developers and the City. This significant change in market rates has rendered the Premises unaffordable to the Lions. Staff recognize the importance of retaining the Lions within the City, and more particularly at their current location. The Lions have historically been, and continue to be, active members of the community, participating in civic celebrations, various fundraisers, and other local events. The Lions have committed to work with City staff to add to this level of community involvement during the proposed new lease term, as generally outlined in Appendix “II” attached to this report.

The Lease Agreement

The Lions have requested a new five-year lease for the Premises. Under the terms of the proposed lease, the Lions are responsible for property taxes and the day-to-day maintenance of the building and field, with the City being responsible for the structural repairs and capital replacements (e.g., HVAC, roofing) to the Premises. The five-year lease provides for early termination upon 12-months written notice by either party after the second year of the term. The appraised rental rate and the negotiated rate for the proposed five-year term are as follows:

Year	Appraised Rent	Negotiated Rent	Discount (33%)
1	\$394,725	\$265,000	\$129,725
2	\$394,725	\$271,625	\$123,100
3	\$394,725	\$278,416	\$116,309
4	\$394,725	\$285,376	\$109,349
5	<u>\$394,725</u>	<u>\$292,510</u>	<u>\$102,215</u>
Total	\$1,973,625	\$1,392,927	\$580,698

A 33% rent discount for the office and parking components of the lease is being proposed. No rental value was placed on the practice field due to the offsetting maintenance costs associated with the field, which is paid for by the Lions.

The Partnering Agreement

The Partnering Agreement authorizes the City to provide “assistance” to the Lions and identifies the financial contribution by the City for the use of Premises by the Lions throughout the term of the lease agreement, being \$580,698, in lieu of the Lions continued community service contribution to the City of Surrey.

If the Partnering Agreement is approved by Council, public notice of the City's intention to provide assistance under the Partnering Agreement and of a proposed property disposition by way of lease must be provided in accordance with sections 24 and 26 of the *Community Charter*.

Legal Services Review

This report has been reviewed by Legal Services.

SUSTAINABILITY CONSIDERATIONS

The proposed Partnering and Lease Agreement supports the City's objectives of the City's Sustainability Charter 2.0. In particular, the proposed Partnering and Lease Agreement relates to the Sustainability Charter 2.0 themes of Economic Prosperity and Livelihoods, and Inclusion. Specifically, the proposed Partnering and Lease Agreement supports the following Desired Outcomes ("DOs"):

- Economic Prosperity and Livelihoods DO4: Surrey's economy is diversified with a mix of service, industrial, agricultural and innovation-based business.
- Economic Prosperity and Livelihoods DO16: Surrey's business are active participants in the community and create economic value in a way that generates value for society
- Inclusion DO23: Numerous active local clubs, groups and agencies contribute to the community's well-being.

CONCLUSION

Based on the above discussion, it is recommended that Council endorse a Partnering and Lease Agreement with the Lions for the premises located at 10605 City Parkway and portions of 10601 City Parkway and 13458 – 107A Avenue for the continued use as the BC Lions head office and training facility as generally described in this report.

Scott Neuman, P.Eng.
General Manager,
Engineering

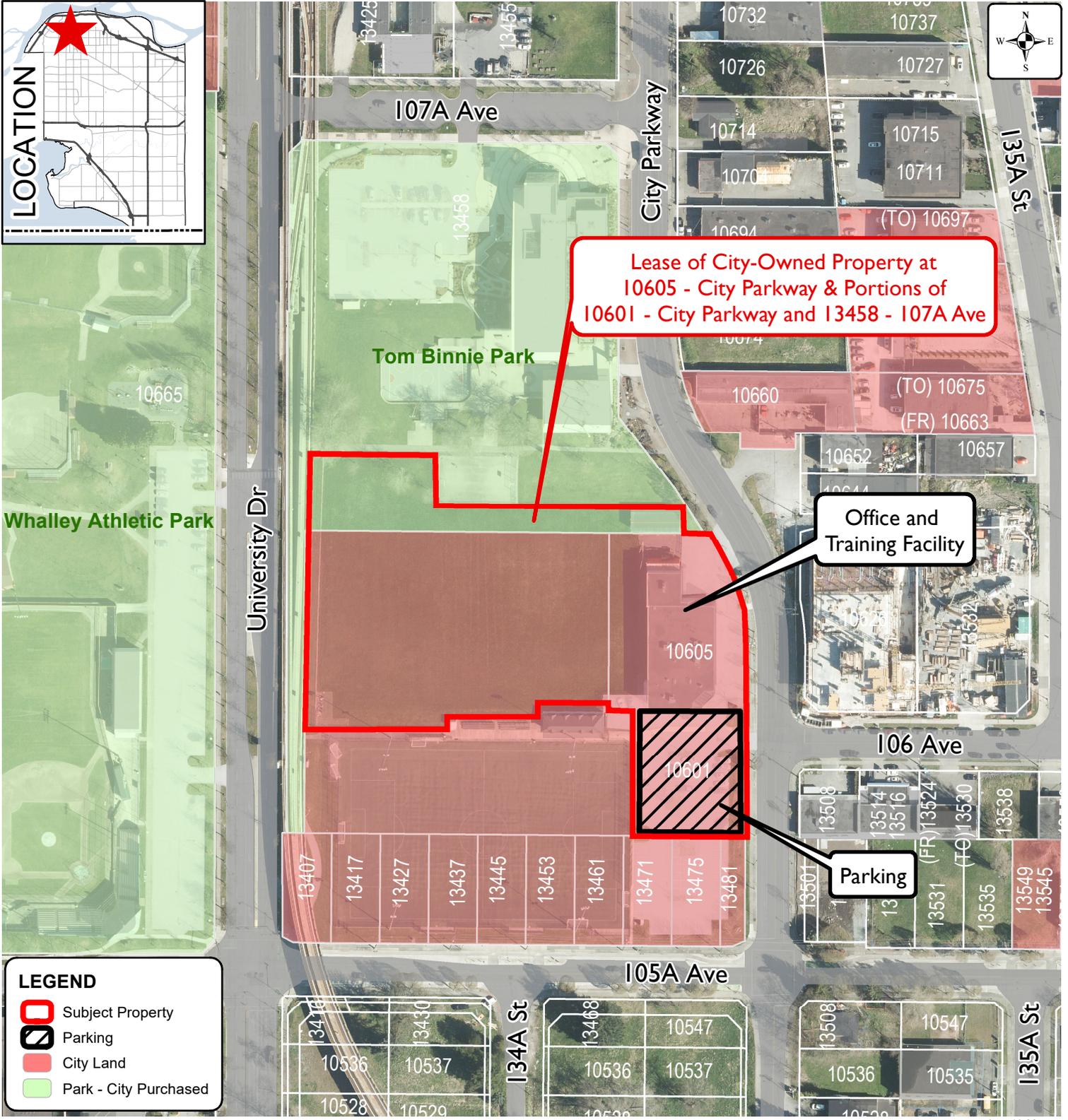
Laurie Cavan
General Manager,
Parks, Recreation & Culture

KSW/ap/bn

Appendix "I" - Aerial Photograph of Site
Appendix "II" – BC Lions' Community Engagement

APPENDIX "I"

AERIAL PHOTOGRAPH OF SITE



LEGEND

- Subject Property
- Parking
- City Land
- Park - City Purchased

Produced by GIS Section: 08-Jul-2022

Date of Aerial Photograph: April 2021

Scale: 1:2,000



Subject Property
10605 City Parkway & Portions of 10601 City Parkway &
13458 107A Avenue

ENGINEERING
DEPARTMENT

Lease Agreement with BC Lions Football Club

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.

BC LIONS COMMUNITY ENGAGEMENT

ENERGY CHAMPIONS

The Energy Champions school program was designed specifically for children in kindergarten through grade seven and emphasizes the importance of environmental responsibility and being an "Energy Champion". Energy Champions help inspire elementary school students to take an active interest in their environment.

Each January to May the Lions partner with FortisBC for the Energy Champions school program. So far, the school program has delivered the message of energy conservation to more than 600 schools both in the Lower Mainland and across BC. A dedicated group of BC Lions players communicate the message virtually and in-person to excited students throughout BC.

BE MORE THAN A BYSTANDER

The BC Lions Football Club started a groundbreaking initiative with Ending Violence Association of B.C. (EVA BC) called "Be More Than a Bystander." The purpose of the program is to increase understanding of the impact of gender-based violence, The BC Lions use their status and public profile to create awareness about gender-based violence in BC and urge everyone to "Break the Silence on Gender-based Violence."

TEAM UP TO END RACISM

This program focuses on confronting racism and educates and informs youth, fans and the general public about embracing a diverse society that fosters inclusiveness, understanding and mutual respect. The program includes 20 school presentations each year as well as a promotion and awareness campaign on social media and in-stadium.

LIONS PRIDE

Lions Pride is an outreach program where players connect with at-risk youth to highlight the importance of making positive choices and avoiding decisions that lead to negative consequences like crime and gang involvement. The program includes practices and a flag tournament for participating youth.

ORANGE SHIRT DAY GAME AND INDIGENOUS YOUTH PROGRAM

In partnership with the Orange Shirt Society, the IRSSS and ISPARC this program helps to educate people about Residential Schools and create awareness around Truth and Reconciliation as well as investing in Indigenous Youth Development.

PLAY WITH THE PROS AND PUNT PASS AND KICK

The BC Lions are committed to growing grassroots football. During the course of the year, the Lions are involved in a number of initiatives focused on the development and growth of amateur football, reaching over 5,000 children each season. These initiatives are as follows:

1. Punt, Pass & Kick
2. Play with the Pros Clinics
3. Community Football Night

Through these events, kids are given the chance to interact with and learn from their favourite BC Lions players.

ADDITIONAL INVOLVEMENT

The BC Lions participate in civic celebrations, various fundraisers, and other local events. The BC Lions also host a variety of groups at their Surrey Training Facility, facilitating meetings and educational events. Below is a partial list of events that the Lions have participated in prior to Covid.

Event Participation

Surrey Canada Day Celebration
Toy Mountain at Guildford Mall
Surrey Tree Lighting Festival
Hike for Hunger-Surrey Food Bank
Snow Champions
Surrey Fusion Festival
Party for the Planet
Surrey Vaisakhi Parade

Events at the BC Lions Training Facility

Amateur Football Clinic
Amateur Football Meetings
Amateur Football practices and training
Lionbackers Fan Club AGM
BC Football Hall of Fame meetings
Indigenous Youth Flag Football Tournament
Lions Pride Flag Football Tournament
Play with the Pros Football Clinic