

NO: R170

COUNCIL DATE: October 3, 2022

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **September 28, 2022**
FROM: **General Manager, Parks, Recreation & Culture** FILE: **0930-30/113**
SUBJECT: **Extension of Licence of Portions of Buildings Located at 6060 – 176 Street and 17835 – 62 Avenue to the Lower Fraser Valley Exhibition Association**

RECOMMENDATION

The Parks, Recreation & Culture Department recommend that Council:

1. Receive this report for information; and
2. Approve the execution by the General Manager, Parks, Recreation & Culture of an extension to the licence agreement with Lower Fraser Valley Exhibition Association for an additional twelve-month term to allow the Lower Fraser Valley Exhibition Association to facilitate the management and operation of the 2023 Cloverdale Rodeo & Country Fair Event at the Cloverdale Fairgrounds.

INTENT

The intent of this report is to obtain Council's approval to extend the existing licence agreement with the Lower Fraser Valley Exhibition Association (the "LFVEA"), for a further 12-month period for the continued use of office and warehouse space at the Cloverdale Fairgrounds (the "Fairgrounds") for 2023.

BACKGROUND

Effective December 1, 2021, the City assumed responsibility for the operations of the Cloverdale Fairgrounds from the LFVEA.

The LFVEA is a non-profit organization that currently utilizes 182.3 m² of office space and 587.7 m² of warehouse space at the Fairgrounds (collectively the "Licence Areas") under a licence agreement with the City that expires December 31, 2022.

DISCUSSION

On January 21, 2022, LFVEA expressed through a press release that their planned 2022 Cloverdale Rodeo & Country Fair Event was postponed due to board of directors' decision to focus on rebuilding, following the global pandemic. The board of directors have since expressed commitment to focus on ensuring the 2023 Cloverdale Rodeo & Country Fair returns better than ever, while continuing to contribute to the spirit of the community.

The LFVEA has requested that the City extend the current agreement for the use of the Licence Areas for a further 12 month period until the end of 2023. The City and representatives of the LFVEA have agreed on the terms and conditions for a twelve-month term licence (the “Licence”) extension. The Parks, Recreation & Culture Department is supportive of the proposed Licence, which main terms and conditions are as follows:

1. Duration: 12-months – January 1, 2023 to December 31, 2023 (City may terminate the Licence with 60 days notice).
2. Rent: \$6,174.00 per month (\$74,088 total for 12-months).
3. Utilities: LFVEA is responsible for their proportionate share of utility costs.
4. Maintenance: LFVEA is responsible for minor maintenance. City is responsible major maintenance on buildings and structures on the Licensed Premises.

If approved, the LFVEA will apply to Council for an annual grant in lieu of rent under the City’s Leasing of Municipal Land & Buildings Policy (P-3), attached as Appendix “I”. This policy requires that all City leases/licenses to non-profit organizations be at fair market value with the ability for such organizations to apply for grants in lieu of rents.

Legal Services Review

This report and related agreements have been reviewed by Legal Services.

SUSTAINABILITY CONSIDERATIONS

The Cloverdale Fairgrounds serve as a venue for community celebrations, festivals and local community programs, and agriculturally focused exhibitions. The License with the LFVEA supports the objectives of the City’s Sustainability Charter 2.0. In particular, it supports the Sustainability Charter themes of Economic Prosperity and Livelihoods and Health and Wellness. Specifically, this supports the following Desired Outcomes (“DO”) and Strategic Direction (“SD”):

- Economy DO11: Food production and enterprises of all scales are an integral part of the economy;
- Wellness and Recreation DO6: Residents participate in a wide range of recreation and leisure opportunities; and
- Wellness and Recreation SD8: Promote greater participation in all forms of recreation.

CONCLUSION

Based on the above discussion, it is recommended that Council support LFVEA’s use of the License Areas within the Fairgrounds to assist in the operation of the Country Fair event in 2023, as generally described in this report.

Laurie Cavan
General Manager,
Parks, Recreation & Culture

Appendix “I”: City Policy P-3: Leasing of Municipal Land & Buildings Policy



CITY POLICY

No. P-3

REFERENCE:

REGULAR COUNCIL MINUTES
9 JANUARY 1978
PAGE 34

APPROVED BY: CITY COUNCIL

DATE: 29 JUL 1996 (RES 96-2252)

HISTORY: 10 AUG 1992; 25 NOV 1991;
28 JAN 1991; 9 JAN 1978

TITLE: LEASING OF MUNICIPAL LAND & BUILDINGS1. Leasing Procedures

The policy dealing with the leasing of municipal land to any private organization or to any organization having to do with recreation in the Municipality or any other person who requests permission to lease municipal land shall be as follows:

- (i) That any municipal land leased shall be leased at its full market value.
- (ii) That any municipal land that is leased shall be subject to full municipal taxes.
- (iii) That in the matter of a grant in lieu or part of or of the whole of the annual lease and/or annual taxes on leased municipal land shall be at the discretion of the Municipal Council each year.
- (iv) That before Council decides on a grant under (iii) if the leased land is being used for recreational purposes a recommendation will be obtained on the use of the land by the recreational group from the Parks and Recreation Commission.
- (v) That the annual lease rental on municipal property be reviewed for recreational purposes every five years.

2. Non-Profit Organizations for Recreational Use

- (1) That membership in the organization be open to the general public.
- (2) That the property proposed for lease be appraised at full market value.
- (3) That the lease be for a maximum term of 5 years.
- (4) That all utility rates be paid by the lessee.
- (5) That full taxes be paid to the general revenue account of the Municipality.

* This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

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- (6) That the Land Agent negotiate a lease fee reflective of current market lease rates to be paid annually to the General Revenue Rental Account (policy is that all rentals are transferred to the General Capital Expenditure Program).

Amended August 10, 1992

- (7) That the Municipal Council provide a grant of 50 percent on Item (5) and a full grant on Item (6) to a maximum of \$60,000.00 per year on behalf of each lessee.

Amended November 25, 1991

- (8) Minor maintenance to be the responsibility of the lessee.

- (9) Major maintenance, improvement or additions must be agreed to by the Municipality and will be the responsibility of the Municipality, except by mutual agreement where the Municipality may permit the lessee to carry out this type of work.

Amended August 10, 1992

- (10) In regard to community centres leased to Community Associations, the Association will be required to pay a fee of \$1.00 per annum in rent, free of Municipal taxes; prepaid for the term of the lease.

- (11) With regard to vacant land leased for the unrestricted benefit of the community, the non-profit organization will be required to pay a fee of \$1.00 per annum in rent, prepaid for the term of the lease.

*Added July 29, 1996
(Res 96-2252)*

3. Private Companies, Individuals or Organizations with Limited Membership (i.e. Golf Clubs, Winter Clubs, etc.)

- (1) That the property proposed for lease be appraised at full market value.

- (2) That the lease be in terms of not less than 5 years where feasible.

Amended August 10, 1992

- (3) That a re-appraisal of the property and a fee review be carried out prior to lease renewal or fee negotiation.

Amended August 10, 1992

- (4) That all taxes and utility rates be paid by the lessee.

- (5) That the Land Agent negotiate a lease fee reflective of current market lease rates to be paid annually to the General Revenue Rental Account.

Amended August 10, 1992

* This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

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4. The public liability insurance on Municipal land and/or buildings leased by the Municipality to associations and other groups shall be a minimum of \$2 million or higher at the discretion of the Municipal Manager should the required liability be higher than \$2 million.

Amended January 13, 1992

* This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.