



# Corporate

NO: R157

# Report

COUNCIL DATE: July 22, 2002

<b>REGULAR COUNCIL</b>			
TO:	<b>Mayor &amp; Council</b>	DATE:	<b>July 15, 2002</b>
FROM:	<b>General Manager, Engineering</b>	FILE:	<b>0930-30/149</b>
SUBJECT:	<b>Lease of Retail Units at Surrey Central Station - 10277 - 135 Street</b>		

## RECOMMENDATION

That Council approve the leasing of each of the four City-owned retail units located at 10277 - 135 Street, for terms of five years with five-year renewals, to the existing tenants, as follows:

- Unit 101 to UEV Holdings Ltd. for the operation of a specialty coffee shop;
- Units 103 & 105 to Kwang-Kook Park & Jung-Soo Park for the operation of a convenience store; and
- Unit 107 to Bistro Panini for the operation of a specialty sandwich shop.

## BACKGROUND

In 1994 the City constructed approximately 2,860 ft.<sup>2</sup> of retail space directly under the Central SkyTrain Station. Over half of the space ( $\pm 1,500$  ft.<sup>2</sup>) was constructed for the RCMP who have since moved. Parks, Recreation and Culture's Community Development Services offices now occupy this space. The remaining  $\pm 1,360$  ft.<sup>2</sup> was divided into four retail commercial rental units and leased at that time to the current operators, with the exception of units 103 & 105, which have been assigned to a new operator.

## DISCUSSION

All of the existing leases expire in October 2002 and each of the tenants has requested new leases with the City as they wish to remain and continue with their ongoing business operations. Staff have negotiated with each of the three operators a similar five year lease agreement with an option to renew for a further five year term. The leases will allow the City to adjust the lease rate to the then prevailing market rate for the renewal term.

## CONCLUSION

The leases of the City's retail units under the Central SkyTrain Station are due to end in October 2002. All of the existing tenants wish to remain and are seeking to enter into new leases with the City, for a five-year term with one five-year renewal. The lease rates for the proposed leases have been negotiated at current market rates. As these existing retail establishments provide desired services at this location, it is recommended that Council approve the proposed five-year leases, with provision for a further five-year renewal.

Paul Ham, P.Eng.

General Manager, Engineering

KSW/mpr

j:\property\admin\corprpts\2002\07091204-ksw.doc

MPR 7/25/02 8:12

## Appendices

- I. Location Map
- II. Site Plan
- III. Aerial Photo