

Report to Council



Date: April 18, 2016
File: 11140-50
To: City Manager
From: M. Olson, Manager, Property Management
Subject: ASSIGNMENT OF LEASE - WINE & ART KELOWNA INC (315 LAWRENCE AVE.)
Report Prepared by: T. Abrahamson, Property Officer

Recommendation:

THAT Council approves the Assignment of Lease from Wine & Art Kelowna Inc. to Wine & Art Kelowna (2016) Inc. for City-owned commercial premises located at 315 Lawrence Avenue for the balance of the initial term and the five (5) year renewal term, in the form attached to the report of the Property Manager, dated April 18, 2016;

AND THAT Mayor and City Clerk be authorized to execute all documents necessary to complete the transaction.

Purpose:

That Council approve the Assignment of Lease from Wine & Art Kelowna Inc. to Wine & Art Kelowna (2016) Inc. for City-owned commercial premises located in the Chapman Parkade at 315 Lawrence Avenue.

Background:

The Assignor, Wine & Art Kelowna Inc., entered into a five (5) year Lease with the City of Kelowna in November, 2014. A transfer of the business ownership is taking place and thus an assignment of the lease is required. The Lease allows an assignment of the lease during the initial term and any renewals provided the Assignee has met all the conditions of the assignment including the provision of a guarantee from the Assignor.

Wilbur Turner, the Assignee and owner of Wine & Art Kelowna (2016) Inc., has met all terms required under the Lease, including background credit and financial checks and has completed the incorporation of the new company. In addition, the Assignor has provided a personal guarantee for the first term of the lease which is due to expire November 30, 2019.

Wine & Art Kelowna (2016) Inc. is committed to building on the success of the original company by continuing to offer a venue to showcase local talent and wines in a creative atmosphere; therefore, Staff are supportive of the assignment.

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by: M. Olson, Manager, Property Management

Approved for inclusion: D. Edstrom, Director, Real Estate

Attachments: 1. Assignment of Lease
2. Website Package
3. PowerPoint Presentation

cc: L. Walter, Revenue Manager