

# Report to Council



**Date:** July 25, 2016  
**File:** 1140-50  
**To:** City Manager  
**From:** Director, Real Estate  
**Subject:** Delegation of Authority - Leases

Report Prepared by: M. Olson, Manager, Property Management

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## **Recommendation:**

THAT Council receives, for information, the Report from the Director, Real Estate dated July 25, 2016, pertaining to implementing a new bylaw for delegation of authority for entering into leases and licences of Occupation;

AND THAT Bylaw No. 11250 being, Delegation of Authority to Enter into Leases and Licences of Occupation Bylaw, be forwarded for reading consideration;

AND FURTHER THAT Council Policy No. 81, Processing of City Lease or Contract Documents be rescinded.

## **Purpose:**

To create a new bylaw in order to allow staff to process minor leases and licence of occupations in order to enhance and add a level of efficiency to the lease development process.

## **Background:**

the Property Management branch manages and leases all buildings and lands owned or vested by the City including the following;

- Residential properties;
- Commercial properties;
- Farms;
- Licence of occupations;
- Provincial/Crown tenure and water lots;
- Patios (i.e. Bernard Avenue patio seating program); and
- Concessions (Food concessions and activity concessions).

In an effort to increase efficiency and enhance the lease development process, staff is recommending a delegation of authority from Council to staff that would allow staff the authority to process the more minor lease and licence agreements and report back to Council on an annual basis with a report including all agreements signed that are subject to the Delegation of Authority, Leases Bylaw.

Under the Bylaw, the Manager, Property Management would be assigned the authority within the established parameters to approve transactions for leases and licences of occupation over lands and buildings owned or vested by the City in addition to buildings and land to be leased by the City as required for municipal undertakings.

The Manager, Property Management would be authorized to negotiate and execute on behalf of the City, transactions of up to a maximum fair market value of \$45,000 per year of a lease or licence of occupation (up to a maximum term of 15 years inclusive of renewals). This amount would allow the Manager, Property Management to approve most concession leases, licence of occupations, farm leases, residential leases (the more expensive residential rental amounts are likely to stay below \$3,500/month for the immediate future) in addition to most minor commercial leases.

Further to a Council inquiry in the spring of 2015 staff have also appended a Real Estate Department Best Practice document (Schedule B) that details the Concession Contractor Bid Selection Process. The document will be included along with all calls for bids in the future and added to the Property Management department website for reference to potential future bidders.

**Summary of Agreements Affected**

Type of Agreement	# of leases	Leases affected	Annual Revenue	Notes:
Residential	40-50	All	+/- \$675,000	Currently an informal delegation in place - this bylaw will formalize current practice
Commercial	40	Some	+/- \$700,000	Most newly constructed units will still be required to go to Council as the amounts and/or term would likely be too large and/or long
Farm	5-7	All	+/- \$10,000	Most current holdings are alfalfa fields which do not yield significant rental rates

<b>Concession</b>	15	All	+/- \$30,000	Attached "Best Practice" outlines policy for choosing vendors
<b>Non-Market</b>	60	None	\$0	Council Policy 347 (Non-Market Leasing of Civic Land and/or Buildings) All new non-market leases must be approved by Council
<b>Patios</b>	40	None	+/- \$45,000	Already established process with staff level authority
<b>LOO's</b>	30	Most	+/- \$20,000	Licence of Occupations are non-binding documents that do not grant an interest in land - Staff will continue to bring any high profile or non-market LOO's forward to Council.
<b>Water Tenure</b>	15	All	Variable	

**Other comparable BC municipalities with similar delegation of authority bylaws;**

- Coquitlam;
- Saanich; and
- Price George.

**Legal/Statutory Authority:**

Community Charter, Sec. 154(1) - Delegation of Council Authority

**Legal/Statutory Procedural Requirements:**

Community Charter, Sec. 154 - Delegation of Authority

**Existing Policy:** Council Policy 81 - Processing of City Lease or Contract Documents

**Internal Circulation:**

City Clerk

**Considerations not applicable to this report:**

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

**Submitted by:** D. Edstrom, Director, Real Estate

**Approved for inclusion:** D. Gilchrist, Divisional Director, Community Planning & Real Estate

**Attachments:** 1. Schedule A - Real Estate Department Best Practice - Concession Contractor Bid Selection  
2. Schedule B - Council Policy 81 - Processing of City Lease or Contract Documents

**cc:** S. Fleming, City Clerk