

Report to Council



Date: February 14, 2022
To: Council
From: City Manager
Subject: Delegation of Authority - Property Management
Department: Real Estate

Recommendation:

THAT Council receive, for information, the report from the Real Estate Department dated February 14, 2022, with respect to the use of the Delegation of Authority to Enter into Leases and Licenses of Occupation (Bylaw No. 11250) in 2021.

Purpose:

To update Council on the use of the Delegation of Authority to Enter into Leases and Licenses of Occupation in 2021.

Background:

In July 2016, Council approved Bylaw No. 11250, Delegation of Authority to Enter into Leases and Licenses of Occupation, in an effort to increase efficiency and enhance the lease development process. The delegation of authority allows staff to, within the established parameters, approve transactions for leases and licenses of occupation over lands and buildings owned or vested by the City of Kelowna (the "City"), in addition to buildings and land to be leased by the City as required for municipal undertakings.

The Manager, Property Management, is authorized to negotiate and execute on behalf of the City, transactions of up to a maximum fair market value of \$60,000 per year for a lease or license of occupation (up to a maximum term of 15-years, inclusive of renewals). This amount allows the Manager, Property Management to approve most concession leases, licenses of occupation, farm leases, and residential leases, in addition to most minor commercial leases.

Discussion:

In 2021, staff executed 56 agreements utilizing the Delegation of Authority. The agreements range from commercial leases to concession agreements, to rental tenancy agreements, and are summarized in Figure 1. A detailed summary of the executed agreements is provided in Schedule A.

| Type | Quantity |
|---|-----------|
| Licenses of Occupation | 21 |
| Commercial Leases (incl. extensions & renewals) | 7 |
| 3 rd Party Agreements | 5 |
| Concession Agreements | 9 |
| Room Rental Agreements | 11 |
| Residential Tenancy Agreements | 3 |
| TOTAL | 56 |

Figure 1 – Types of agreements executed under Property Management's Delegation of Authority in 2021

Below are some highlights of the work completed by staff in 2021.

Construction Laydown Rental – The Property Management department has rented undeveloped parkland to builders. In addition to paying a monthly rental fee, the builders also pay to restore the property. This win/win program generated \$79,000 in revenue in 2021, which would go toward the Parks Reserve.

Public Space Animation – Staff have also sought out meaningful ways to animate parks and public spaces by placing activity and food concessions in suitable places. Two successful examples are the Adaptive Equipment Rental at the base of Knox Mountain Park and the food truck located in the Rotary Beach parking lot.

Affordable Housing - In 2021, Staff partnered with the Canadian Mental Health Association (CMHA) on their scattered-site program. Using this program, the City of Kelowna rents a home to CMHA, who then sub-leases the home to their clientele and ensures the tenants are taken care of. To date, three homes are rented to CMHA. As City properties become vacant, they are reviewed to see if they would be appropriate for CMHA's program.

Existing Policy:

Council's 2019-2022 priorities identified measures supporting staff's recommendations in this report. Specifically, relevant to this report:

- Non-taxation revenues are increasing
- Animated parks and public spaces.
- Services, processes & business activities are transformed.

Considerations not applicable to this report:

Legal/Statutory Authority
 Legal/Statutory Procedural Requirements
 Existing Policy
 Financial/Budgetary Considerations
 External Agency/Public Comments

Communications Comments

Submitted by: J. Adamson, Manager, Property Management

Approved for inclusion: J. Säufferer, Real Estate Department Manager

Attachments: 1. Schedule A – 2021 Delegation of Authority Summary
2. Schedule B – PowerPoint Presentation