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City of Kelowna  
MEMORANDUM

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**Date:** April 26, 2006  
**File No:** 0870-20  
**To:** City Manager  
**From:** Cultural Facilities Manager

**Subject: Walrod School Lease**

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**RECOMMENDATION**

**THAT** City Council approves a three year lease with two one-year renewal options with The Justice Institute of British Columbia for the Walrod School Buildings and Portables located at 825 Walrod Street;

**AND THAT** the Mayor and City Clerk be authorized to sign the lease based on the attached criteria;

**AND FURTHER THAT** the 2006 budget be so amended.

**BACKGROUND**

The City purchased the Walrod School from School District #23 in May 2005 with the intent of demolishing the school and turning the whole site into a park in the future. The buildings on site are functional. The City sought a suitable tenant to occupy the buildings until such time as the City is ready to move forward with the park development.

The City and the Justice Institute discussed the use of the building, and have now concluded negotiations. The Justice Institute has signed the lease being presented to Council today.

Ron Forbes  
Cultural Facilities Manager

cc: Director of Recreation, Parks and Cultural Services  
Deputy Director of Finance  
Civic Properties Manager

### **Base Terms of Lease Agreement for The Walrod School**

**Term:** 3 years (December 2005 – December 2008)  
2 optional renewal terms for 1 year each

**Triple Net:** Paid by tenant (property operations & taxes to be determined)

**Tenant  
Improvements:** By tenant

#### **Financial Summary**

<b>Lease income</b>	<b>Per Year</b>
Year 1	34,800.00
Year 2	34,800.00
Year 3	34,800.00
Year 4	34,800.00
Year 5	52,740.00
<b>Lease Total</b>	<b>191,940.00</b>