
CITY OF KELOWNA

MEMORANDUM

Date: April 22, 2009
File No.: 0880-20
To: City Manager
From: Director, Real Estate & Building Services
Subject: **Glenmore Store Limited**

Report Prepared by: Ron Forbes – Property Manager

RECOMMENDATION:

THAT City Council approve a five (5) year Lease Modification Agreement based on the attached criteria with Glenmore Store Limited for the lease of Unit 104 – 1014 Glenmore Drive for the purposes of office space for the Glenmore Community Police Office;

AND THAT the Mayor and City Clerk be authorized to execute the lease.

BACKGROUND:

In 2004 the City signed an agreement with the Glenmore Store Limited for the space currently occupied by the Glenmore Community Police Office. That lease expired in December of 2008.

Staff have been negotiating a lease renewal since November and have been looking at alternative locations. As the Community Police Office is intended to provide services to the Glenmore community the location of the office must be in the Glenmore area of town. Office space in the Glenmore area is very limited and a review has revealed that the prices negotiated offer the best value at this time.

FINANCIAL/BUDGETARY CONSIDERATIONS:

Base Terms of Lease Agreement for Glenmore Community Police Office are:

Term:	Five (5) years commencing January 1, 2009
Renewal:	No renewal
Rate:	2009 – \$38,628 (\$18.50 / sq ft.) 2010 – 2014 - \$44,307.36 (\$21.22 / sq ft)
Triple Net costs	2009 approximately \$12,200 (\$5.84 / sq ft)
Tenant Improvements:	By tenant



INTERNAL CIRCULATION TO:

Director, Financial Services
Manager, Police Services

EXTERNAL AGENCY/PUBLIC COMMENTS:

RCMP Superintendent

Considerations that were not applicable to this report:

LEGAL/STATUTORY AUTHORITY:

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

EXISTING POLICY:

PERSONNEL IMPLICATIONS:

TECHNICAL REQUIREMENTS:

COMMUNICATIONS CONSIDERATIONS:

ALTERNATE RECOMMENDATION:

In light of the above, the Real Estate & Building Services Department requests Council's support of this matter.



Doug Gilchrist, RIBC, PMP
Director, Real Estate & Building Services

Approved for Inclusion:



John Vos, General Manager, Community Services

cc: General Manager, Community Services
Financial Services Manager



LEASE MODIFICATION AGREEMENT

Dated the 17 day of April, 2009

BETWEEN:

**Glenmore Store Limited
201 – 1014 Glenmore Drive,
Kelowna, BC
V1Y 4P2**

(the "Landlord")

AND:

**City of Kelowna
1435 Water Street
Kelowna, BC
V1Y 1J4**

(the "Tenant")

WHEREAS:

A. The Landlord and the Tenant entered into a lease January 1, 2004 (the "Lease") whereby the Tenant leased from the Landlord that portion (the "Leased Premises") of the building situate upon lands and premises located at Unit 104 – 1014 Glenmore Drive, Kelowna, B.C. (the "Lands")

B. The Tenant has provided notice to the Landlord on February 15, 2009 that it is requesting an Option to Renew its Lease pursuant to the Lease dated January 1, 2004.

C. NOWTHEREFOR:

The Landlord and the Tenant have agreed to modify the Lease as hereinafter set out.


1. The renewal Term of this Lease shall be for a period of Five (5) years and shall commence on the 1st day of January, 2009 (the "Commencement Date") and shall be fully completed and at an end on December 31, 2014.
2. Effective January 1, 2009, the Basic Rent for the entire renewal Term of this Lease is the total sum of Two Hundred and Fifteen Thousand, Eight Hundred and Fifty Seven and 44/100 (\$215,857.44) Dollars being the amount of \$18.50 per square foot per annum for year one of the Renewal Term and \$21.22 per square foot per annum for years two through five of the Renewal Term which is payable in advance without set-off or deduction, in equal consecutive installments on the

first day of each calendar month during the Term of this Lease

Except as otherwise provided in this Agreement, the provisions contained in the Lease and any subsequent amendments or lease modifications shall continue to be in full force and effect and binding upon both the Landlord and the Tenant and their respective successors and assigns.

Signed by the parties as of the date on the first page.

Glenmore Store Limited
(Landlord)



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Authorized Signatory

Authorized Signatory

City of Kelowna
(Tenant)

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