



Staff Report to Council

DATE: Monday, August 19, 2024

DEPARTMENT: Administration

SUBJECT: Westshore Karate Lease Agreement at City Centre Park

EXECUTIVE SUMMARY:

The City currently leases commercial space within Westhills Arena to Westshore Kimura Shukokai Karate, which operates a karate school. The current lease is set to expire August 31st, 2024. Staff have been in discussions with Westshore Karate for a renewal of the lease and are seeking Council approval to enter into a new two-year lease term. Public notices have been published in accordance with the *Community Charter*.

BACKGROUND:

Westshore Kimura Karate have been a part of the Westshore community since 2011, offering karate classes for all age groups, starting from the age four and up. The business is currently located in units #211 and #215 at 1097 Langford Parkway within Westhills Arena at City Centre Park. The lease allows for the units to be used for office space and karate classes. The lease term commenced on September 1st, 2022, and is set to expire August 31st, 2024.

The City and Westshore Karate have been in negotiations for a renewal of the lease, subject to Council approval. The proposed lease aligns with the Council's strategic priority of providing access to recreational services in Langford.

COMMENTARY:

Staff recommend that the term of the lease be for two (2) years, in accordance with the terms of the agreement as attached. Key terms of the lease include:

- The term will commence on September 1, 2024, and terminate on August 31st, 2026;
- The lessee will pay \$1,546.50 per month, plus GST;
- The lessee will not use the units for any other purpose other than for office space and the operation of karate classes;
- The lessee will pay for all rates and charges for cable, internet, and telephone;
- The lessee will pay for taxes that are directly assessed or charged to the units and/or their business; and

- The lessee will maintain and keep in force plate glass insurance, public liability and property damage insurance, and insurance in respect of fire and such other perils, with the city listed as an additional insured on all policies.

FINANCIAL IMPLICATIONS:

Under the proposed lease, the lessee's annual base rental payments will increase slightly from \$18,403.44 to \$18,558.00. This adjustment is intended to bring the base rent in line with other comparable leased units at City Centre Park. Additionally, the lessee will be responsible for all rates and charges for cable, internet, and telephone, as well as being responsible for any taxes directly assessed or charged to the premises and/or their business.

LEGAL IMPLICATIONS:

Dispositions of land must be approved by the City and proper notice must be given in accordance with the *Community Charter*; this notice has been given. A lease is considered a disposition of an interest in land in accordance with the *Community Charter*.

STRATEGIC PLAN ALIGNMENT:

- Strategic Priority Six: Quality of Life
 - 6I: Increased Access to Recreation Infrastructure and Services
- Strategic Priority Three: Economic Development

OPTIONS:

Option 1

THAT Council approve the Lease Agreement renewal with Westshore Kimura Shukokai Karate for the premises municipally described as #211 and #215 1097 Langford Parkway, for a period of two years commencing on September 1st, 2024;

AND

THAT Council authorize the Mayor and Chief Administrative Officer, or Corporate Officer, to execute the agreement on the terms substantially as presented, although minor amendments may be made prior to signing.

OR Option 2

THAT Council direct staff to take no action at this time with respect to the renewal of the Lease Agreement with Westshore Kimura Shukokai Karate.

SUBMITTED BY: Sam Prette, Manager of Contracts and Agreements

Concurrence: Melisa Miles, Manager of Legislative Services

Concurrence: Donna Petrie, Senior Manager of Communications & Economic Development

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, RPP, MCIP, Director of Development Services

Concurrence: Leah Stohmann, RPP, MCIP, Director of Community Planning and Climate Change

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Braden Hutchins, Deputy Chief Administrative Officer

Concurrence: Darren Kiedyk, Chief Administrative Officer

Attachment: CON24-0115 Lease Rental Agreement