



2018-NOV-26

Our File: LD002216

City of Nanaimo
455 Wallace Street
Nanaimo, BC V9R 5J6

and

Nanaimo Search & Rescue
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

Re: Letter of Intent for City to Provide Long Term Lease of Former Harewood Fire Hall (195 Fourth Street) to Nanaimo Search and Rescue

The City of Nanaimo (the “City”) is the owner of the land and improvements associated with the former Harewood Fire Hall at 191 and 195 Fourth Street.

In 2009, the City entered into a five-year lease agreement with the Regional District of Nanaimo for Nanaimo Search and Rescue (“NSAR”) to occupy a portion of the Lands. The agreement was renewed for an additional term of five years. The current agreement expires January 31, 2019.

A consultant’s study has identified the need for the Lands to be seismically updated. In addition, a building condition assessment has identified other deficiencies that should be addressed in the coming years.

NSAR is a non-profit group of volunteers dedicated to provide urban and rural search and rescue services to the public in the Nanaimo area. The organization has seen an increase in call volume in recent years and needs to expand and update their operations centre.

NSAR has secured an anonymous donation of \$1,000,000 for a new or renovated facility for their operations. The donor wishes the donation to be used by NSAR in the near future. In addition, NSAR has secured a grant of \$150,000 for capital improvements. Together these are referred to as the ‘NSAR Funds’.

NSAR has approached the City requesting a long-term lease or co-management agreement for the Lands in their entirety. NSAR wish to contribute the NSAR funds to facilitate improvements to the building and other general upgrades that would accommodate NSAR’s needs for the long term.

Purpose

The purpose of this Letter of Intent is to document the understanding of each party privy to the agreement and to set out a process for formal approval of a long-term lease or co management agreement and building improvements. This Letter of Intent does not constitute an agreement, nor is it legally binding on either the City or NSAR.

Proposed Lease

The City will lease 191 and 195 Fourth Street, measuring 0.176ha (0.434 acres) to NSAR.

The Lands are legally described as:

PID: 005-257-077 (191 Fourth St)
Lot A, Section 1, Nanaimo District, Plan 10331.

PID: 008-754-683 (195 Fourth St)
That Part of Section 28, Range 9, Section 1, Nanaimo District, Plan 630, shown outlined in red on Plan 563R

The lease and co-management would be for up to 25-years subject to further negotiation between the City and NSAR.

Commitments from the City and NSAR – Both parties will be responsible at a shared cost for:

- Development of a “Facility Plan” that outlines the proposed building upgrades. This document is required to outline the priorities for investment and the associated costs and will enable the City and NSAR to develop a work plan for the facility;
- Development of a schedule to clearly outline the “Roles and Responsibilities” of both parties in the proposed agreement; and
- Negotiations with the donor to secure the funding for the renovation.
- Negotiations of a long-term lease as outlined in the Letter of Intent, subject to approval by City of Nanaimo Council.

Conditions Precedent

The granting of a long-term lease is subject to the following conditions:

- Completion of a “Facility Plan” and “Roles and Responsibilities” by both parties no later than March 1, 2019.
- Council approval in principle for a lease no later than April 30, 2019.
- Donor commitment to fund the project no later than April 30, 2019.
- Final Council approval no later than May 30, 2019.

Non-Binding

The City and NSAR agree that this letter does not constitute an agreement for the long-term lease, nor is it legally binding on either the City or NSAR. This letter is not intended to be relied upon by the parties as constituting a binding agreement for such lease agreement and no legal obligations shall arise between the City and NSAR as a result of this letter until negotiations have been concluded and the parties have executed and delivered a Lease Agreement or one party delivers to another party notice that it no longer wishes to pursue the Agreement contemplated herein.

Yours truly;

CITY OF NANAIMO

By: _____
Director of Parks and Recreation

By: _____
Corporate Officer

The undersigned hereby confirms its agreement to the intentions set out above this ____ day of December, 2018.