

Re: Renewal of Lease
Blocks 4, 5, 6 and 7, D.L. 212, Group 1, N.W.D., Plan 3080
Bestwood Industries Limited

ITEM 34

MANAGER'S REPORT NO. 61

COUNCIL MEETING Sept. 23/74

Following is a report from the Director of Planning on the proposed renewal of a lease to Bestwood Industries Limited on Municipal property that is located in the area contained within the Eastern Burrard Inlet Development Plan concept.

The current monthly rental is \$944.25. Taxes are paid as if the firm were the owner of the property; the total taxes paid in 1974 were \$9,873.26.

RECOMMENDATIONS:

THAT the Land Agent be authorized to negotiate a further 3 year lease with Bestwood Industries Limited for the properties described as Blocks 4,5,6 and 7, D.L. 212, Group 1, Plan 3080, to terminate on December 31, 1977, with provision in the lease that should the Municipality decide at the end of the second year of the agreement that the site will not be required by December 31, 1977, that year-to-year extensions could be considered; and

THAT the lease also include provision that should the Municipality decide at any time before the end of the second year of the agreement that the property will be required, then notice to this effect can be served which would finally terminate the lease on December 31, 1977; and

THAT it be stressed to Bestwood Industries Limited that on the basis of the existing implementation program, the company and its employees should assume at this point that notice to terminate the lease at the end of the second year; and

THAT a copy of this report be sent to the Parks and Recreation Commission for information.

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Planning Department,
September 18, 1974,
Our File #15.142.

TO: MUNICIPAL MANAGER

FROM: DIRECTOR OF PLANNING

RE: EXTENSION OF LEASE WITH BESTWOOD INDUSTRIES LTD.

Bestwood Industries Ltd. (formerly Bestwood Cedar Shingle Co. Ltd.) presently leases a 6.07 acre site on Barnet Road from the Municipality for the manufacture of cedar shakes and shingles. The current lease agreement has been for a period of 5 years and expires on December 31, 1974.

As Council will recall, this facility is situated within the area covered by the Eastern Burrard Inlet Development Plan Concept which was adopted by Council on October 22, 1973. In terms of the relationship of the Bestwood mill to the development plan objectives, it was felt that the continued existence of the plant would be incompatible with the development of a major marine park in the immediate vicinity. This conclusion was based on an appraisal of the plant's functional and aesthetic characteristics with specific concerns relating to the age and general appearance of the operation, the associated log booming and the oppressive nature of the actual shingle milling function relative to the surrounding natural setting. On this basis, it was proposed that the site be redeveloped as soon as possible in keeping with a zoning designation (i. e. M7 - Marine Zone 2) which outlines uses considered most appropriate to the affected sites and the adopted development concept. Particular recommendations relating to the Bestwood lease renewal question that have been adopted by Council in light of the development plan concept are as follows:

- 1) THAT Bestwood Cedar Shingle be informed that the terms of any subsequent lease agreement with the Municipality will not extend beyond the time that public access to the proposed foreshore park is made available.
- 2) THAT Bestwood Cedar Shingle Ltd. be advised that it should make every effort to pursue options available to effect its relocation in

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the event that a subsequent lease agreement is not achieved.

In view of the fact that the current lease agreement expires on December 31, 1974, staff have had discussions with the principals of Bestwood Industries Ltd. in order that a report relating to the lease could be submitted to Council for its consideration.

In terms of the implementation of the adopted development plan concept, staff are of the opinion that no new lease arrangement should be agreed to that would interfere with the development or public enjoyment of the marine park and its related facilities. Ideally speaking, the most logical means of ensuring that this facility does not have a prejudicial effect on the development of the park or the adjacent marina area would be to not renew the lease beyond its existing term. However, it is recognized that there are some 150 persons employed at the mill and that their position should be taken into account during the lease termination process. It is with the objective of terminating the lease in the most equitable fashion that staff have had discussions with Bestwood Industries to determine whether there is a phasing out rather than closing down program that can be agreed to that would not be considered a major obstacle to the implementation of the development concept.

On the basis of these discussions, staff is prepared to recommend a renewal of the lease agreement for an additional three years (i. e. to terminate on December 31, 1977) with provision in the lease that should the Municipality decide at the end of the second year of the agreement that the site will not be required on December 31, 1977 that year to year extensions could be considered. However, should the Municipality decide at any time before the end of the second year of the agreement that the property will be required, then notice to this effect can be served which would finally terminate the lease on December 31, 1977.

While, an extension of the lease for an additional three years as proposed could possibly be considered a deterrent to the prospective parties willing to develop under the adopted development plan guidelines, it is felt that such arrangement is equitable and would allow the principals and employees of Bestwood Industries Ltd. to begin a planned phasing out program with adequate notice. It should, however, be stressed to Bestwood Industries Ltd. that on the basis of the existing implementation program, the company and its employees should assume at this point that notice to terminate the lease at the end of the three year period will be given prior to the end of the second year.

The area rezonings associated with the implementation of the Eastern Burrard Inlet Development Plan concept have received first and second readings. Now that the Kapoor property acquisition has been completed, staff will be forwarding a further report to Council in the very near future recommending finalization of the area rezonings including the rezoning of the Bestwood property from M3 (Heavy Industrial) to M7 (Marine Zone 2). It should be mentioned that following the rezoning of the Municipal lands currently leased by Bestwood Industries Ltd. the mill would be placed in a non-conforming position which would preclude expansion or alteration to the existing facility. This position is supportive of the intent to finally terminate the lease at the end of the three year extension period.

RECOMMENDATIONS

It is recommended

1. THAT the Land Agent be authorized to negotiate a further three year lease with Bestwood Industries Ltd. for the properties described as Blocks 4, 5, 6 and 7, D. L. 212, Group 1, Plan 3080 to terminate on December 31, 1977, with provision in the lease that should the Municipality decide at the end of the second year of the agreement that the site will not be required by December 31, 1977, that year-to-year extensions could be considered.

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2. THAT the lease also include provision that should the Municipality decide at any time before the end of the second year of the agreement that the property will be required, then notice to this effect can be served which would finally terminate the lease on December 31, 1977.
3. THAT it be stressed to Bestwood Industries Ltd. that on the basis of the existing implementation program, the company and its employees should assume at this point that notice to terminate the lease at the end of the second year.


A. L. Parr,
DIRECTOR OF PLANNING.

JSB:ew

c. c. Land Agent
Parks and Recreation Administrator
Municipal Treasurer