

Re: Leases for Centennial Pavilion and  
Burnaby Mountain Golf Course Coffee Shop  
(Item 4, Report No. 63, September 30, 1974)

ITEM 12  
MANAGER'S REPORT NO. 82  
COUNCIL MEETING Dec. 9/74

Following is a report from the Parks & Recreation Administrator regarding proposed five year leases for Centennial Pavilion and the Burnaby Mountain Golf Course Coffee Shop.

RECOMMENDATIONS:

1. THAT the present licence remain in effect until December 31, 1974 and the two new leases commence January 1, 1975 and run to December 31, 1979; and
2. THAT the rent structure remain unbroken and that the rent level in effect in May 1979 be extended through to December 31, 1979; and
3. THAT the completion date for all construction and alterations at the Centennial Pavilion be extended for February 10, 1975.

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TO: MANAGER

December 5, 1974

FROM: PARKS AND RECREATION ADMINISTRATOR

RE: LEASES FOR CENTENNIAL PAVILION AND  
BURNABY MOUNTAIN GOLF COURSE COFFEE SHOP

On May 1, 1974 the Parks and Recreation Commission approved the 32 terms and conditions that were detailed in the Administrator's Report No. 10, Item 8, and on May 6, 1974 Council authorized the execution of a contract.

The Commission on September 18, 1974 and Council on September 30, 1974 approved the changing of the present licence to two leases, one for Centennial Pavilion and the other for the Golf Course Coffee Shop. Other conditions, as detailed below, were also approved by both the Commission and Council.

- (a) A right of assignment of the Golf Course Coffee Shop lease to S.G.A. Restaurants Course Ltd. and of the Centennial Pavilion lease to S.G.A. Restaurants Mountain Ltd.
- (b) A right of assignment of the Centennial Pavilion lease to the Industrial Development Bank in the event of a default.
- (c) The rent charged to the Lessees to remain unchanged from the Agreement entered into the 15th day of May, 1974, other than to allocate the rent in the first year to the Centennial Pavilion and in the second year through the fifth year 25% to the Golf Course Coffee Shop and 75% to the Centennial Pavilion.

These leases have yet to be executed, and Mr. Greg Young of S.G.A. Restaurants Mountain Ltd. is now requesting that the lease for Centennial Pavilion be dated January 1, 1975 and run until December 31, 1979 (see attached letter). The reason for this request is that the Industrial Development Bank has just recently agreed to the financing of the Centennial Pavilion project and requires the full five year lease. Although the present lease is for a five year period with an option to renew for a further five years, under the Municipal Act the Municipality cannot be legally bound to the five year option. This means, in effect, that the leases are only five year contracts.

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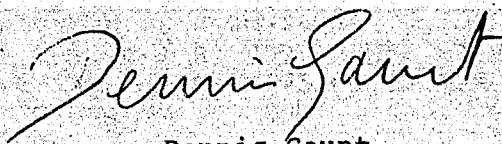
To simplify the matter it has been suggested that the present licence remain in effect until December 31, 1974 and that the two leases commence January 1, 1975. It is not proposed to change the rent structure other than to extend the rent level in effect in May 1979 through to December 31, 1979.

The Parks and Recreation Commission, at its meeting of December 4, 1974, approved the foregoing amendment.

RECOMMENDATION:

The Parks and Recreation Commission recommends:

1. That the present licence remain in effect until December 31, 1974 and the two new leases commence January 1, 1975 and run to December 31, 1979.
2. That the rent structure remain unbroken and that the rent level in effect in May 1979 be extended through to December 31, 1979.
3. That the completion date for all construction and alterations at the Centennial Pavilion be extended to February 10, 1975.



Dennis Gaunt,  
ADMINISTRATOR.

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attachment

Supplementary
ITEM No. 8
ADMINISTRATOR'S REPORT No. 25
COMMISSION MEETING Dec. 4/74

ITEM 12
MANAGER'S REPORT NO. 82
COUNCIL MEETING Dec. 9/74

S.G.A. Mountain Limited  
Box 82158,  
Burnaby 2, B.C.

December 2, 1974

Administrator  
Parks & Recreation Dept.  
Corporation of the District of Burnaby,  
4949 Canada Way,  
Burnaby 2, B.C.


Dear Mr. Gaunt:

As you are aware from our conversation, Nov. 28, 1974, the arrangements for the financing of the renovations at Centennial Pavilion on behalf of S.G.A. Restaurants have been completed and are contingent on our receiving a lease commencing January 1st, 1975, so that a reasonable re-payment schedule for our company and the Industrial Development Bank can be arranged.

Since the renewal clause in our contract is not entirely binding, we are forced to treat the lease as a 5 year contract, with an intent to continue the obligation an additional 5 years. The time already used on the existing contract makes it difficult to establish a re-payment schedule (with I.D.B.) without putting extra strain on the project at an early stage.

We would be very grateful to all concerned if we could have our original 5 year term commenced on January 1, 1975.

Yours truly,

  
G. Young  
S.G.A. Restaurants  
Mountain Limited