

ITEM 15
MANAGER'S REPORT NO. 51
COUNCIL MEETING Aug. 5/75

Re: LEASE AGREEMENT BETWEEN THE CORPORATION OF THE DISTRICT OF
BURNABY AND ASTOR HOTEL LIMITED
0.152 ACRE PORTION OF PARCEL "A" OF LOT 4, D.L. 153, GRP.1, N.W.D.

On May 5, 1975, Council tabled a report on a proposal to lease a Municipally owned parcel of property to Astor Hotel Limited, with the understanding that such property would be used by the lessee for parking purposes. The first page of the report and an accompanying sketch is attached (the attachment does not include the formal lease document that Council also received with the report on May 5).

The tabling motion pertained to a suggestion by Council that the parcel be sold and consolidated with the hotel's adjoining property. Comments on this suggestion are contained in the following report from the Director of Planning.

RECOMMENDATIONS:

1. THAT Item 10, Report No. 33, May 5, 1975 be lifted from the table; and
2. THAT the Land Agent be authorized to initiate negotiations with Astor Hotel Ltd. with respect to the proposed sale of the subject Municipal parcel subject to its consolidation with that company's adjacent holdings.

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PLANNING DEPARTMENT
JULY 29, 1975

TO: MUNICIPAL MANAGER
FROM: DIRECTOR OF PLANNING
RE: LEASE AGREEMENT BETWEEN THE CORPORATION OF THE DISTRICT OF
BURNABY AND ASTOR HOTEL LTD.
0.152 ACRE PORTION OF PARCEL "A" OF LOT 4, D.L. 153, GRP. 1,
N.W.D.

At its meeting of May 5, 1975 Council tabled consideration of a recommendation to renew the subject lease for a term of 20 years pending a Manager's Report on the possible sale and consolidation of the site.

As was explained in Item 10, Manager's Report No. 33, the term of the original subject lease was for 20 years with a rental rate of \$50.00 per annum, and it allowed the lessee to renew for a further term of 20 years on the same terms, covenants, and conditions as contained in the original lease, save and except the covenant for renewal. Of consequence, it was stated that the Municipality has no alternative but to renew the lease as requested for an additional 20 years at the same annual rate.

In investigating this matter further, the Planning Department requested the Municipal Solicitor to provide his opinion as to whether the Municipality would be obliged to continue leasing this parcel at the nominal rate until the expiration of the lease term in the event the Astor Hotel redeveloped its site for hotel or other purposes. In response the Solicitor has advised as follows:

"Answering the question posed in your letter of July 24, 1975, I point out that the lease requires the leased property to be used 'as a parking lot in connection with its hotel business... and for no other purpose' and that the Municipality has the

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right upon twelve months notice in writing to require the leased property or any portion thereof for road widening. If the Company wishes to redevelop its site for hotel, it must continue to use the leased property for parking purposes. There is no other restriction on the use of its property subject to the right of the Municipality to retake it for road purposes."

From the above, it is evident that there are only two circumstances under which the Municipality could revoke the lease agreement. These are:


1. To retake the parcel for required road purposes.
2. In the event Astor Hotel Ltd. proposed a redevelopment of its holdings that wished to make use of the subject land for a use other than a parking lot in connection with its hotel business.

The Planning Department has made preliminary contact with Astor Hotel Ltd. with respect to their possible interest in acquiring the subject Municipal parcel (see attached sketch) for consolidation with their existing holdings and was advised that the company would be interested in discussing this possibility further. The impression received was that their position in this matter would be greatly influenced by the value of the property as established by the Municipality. It is the opinion of this department that the sale of this small and irregularly shaped parcel and its consolidation with the adjacent Astor Hotel Ltd. holdings would be beneficial in that it would dispose of a parcel having no foreseeable Municipal need and at the same time assist the general consolidation of this likely redevelopment area.

In view of the above, it is recommended that the Land Agent be authorized to initiate negotiations with Astor Hotel Ltd. with respect to the proposed sale of the subject Municipal parcel subject to its consolidation with that company's adjacent holdings.

RECOMMENDATION

THAT the Land Agent be authorized to initiate negotiations with Astor Hotel Ltd. with respect to the proposed sale of the subject Municipal parcel subject to its consolidation with that company's adjacent holdings.


A. L. Parr
DIRECTOR OF PLANNING

JSB:cw
Att.

cc: Land Agent
Municipal Solicitor
Municipal Treasurer

ITEM 15
MANAGER'S REPORT NO. 51
COUNCIL MEETING Aug. 5/75

ITEM 10
MANAGER'S REPORT NO. 33
COUNCIL MEETING May 5/75

Re: Lease Agreement Between the Corporation of the
District of Burnaby and Astor Hotel Limited
0.152 Acre Portion of Parcel "A" of Lot 4, D.L. 153, Grp. 1, N.W.D.

The Municipality entered into a lease agreement (copy attached) with Astor Hotel Limited on June 8, 1955 for the 0.152 acre portion (see attached sketch) of Municipal property which the lessee wished to use for parking purposes in connection with its hotel business.

For information purposes, the 0.152 acre piece of property was originally acquired by the Municipality for eventual widening of Percival Avenue. Present proposals for the area do not include widening of Percival Avenue but, rather, cancellation of the road allowance and consolidation with surrounding properties as a possibility at some future time.

The term of the subject lease was for 20 years with a rental rate of \$50.00 per annum, and it allowed the lessee to renew for a further term of 20 years on the same terms, covenants, and conditions as contained in the original lease, save and except the covenant for renewal. Of consequence is that we have no alternative but to renew the lease for an additional 20 years, and we cannot increase the rental rate even if we wish to do so.

It should be noted that, because of the area and shape of the leased portion, it has little value at present to any other concern than Astor Hotel Limited.

The Land Agent advises that the time factor in making the request for renewal has been met by the lessee and, to the best of the Land Agent's knowledge, all conditions pertaining to the lease have been met. The Land Agent recommends that the lease be renewed for a term of 20 years.

RECOMMENDATION:

1. THAT Council approve of renewal of the subject lease for a term of 20 years.

**PLAN OF A PORTION OF
PARCEL "A" OF LOT 4,
LOT 153, GROUP 1,
NEW WESTMINSTER DISTRICT
ACCORDING TO EXPLANATORY PLAN 12545.**

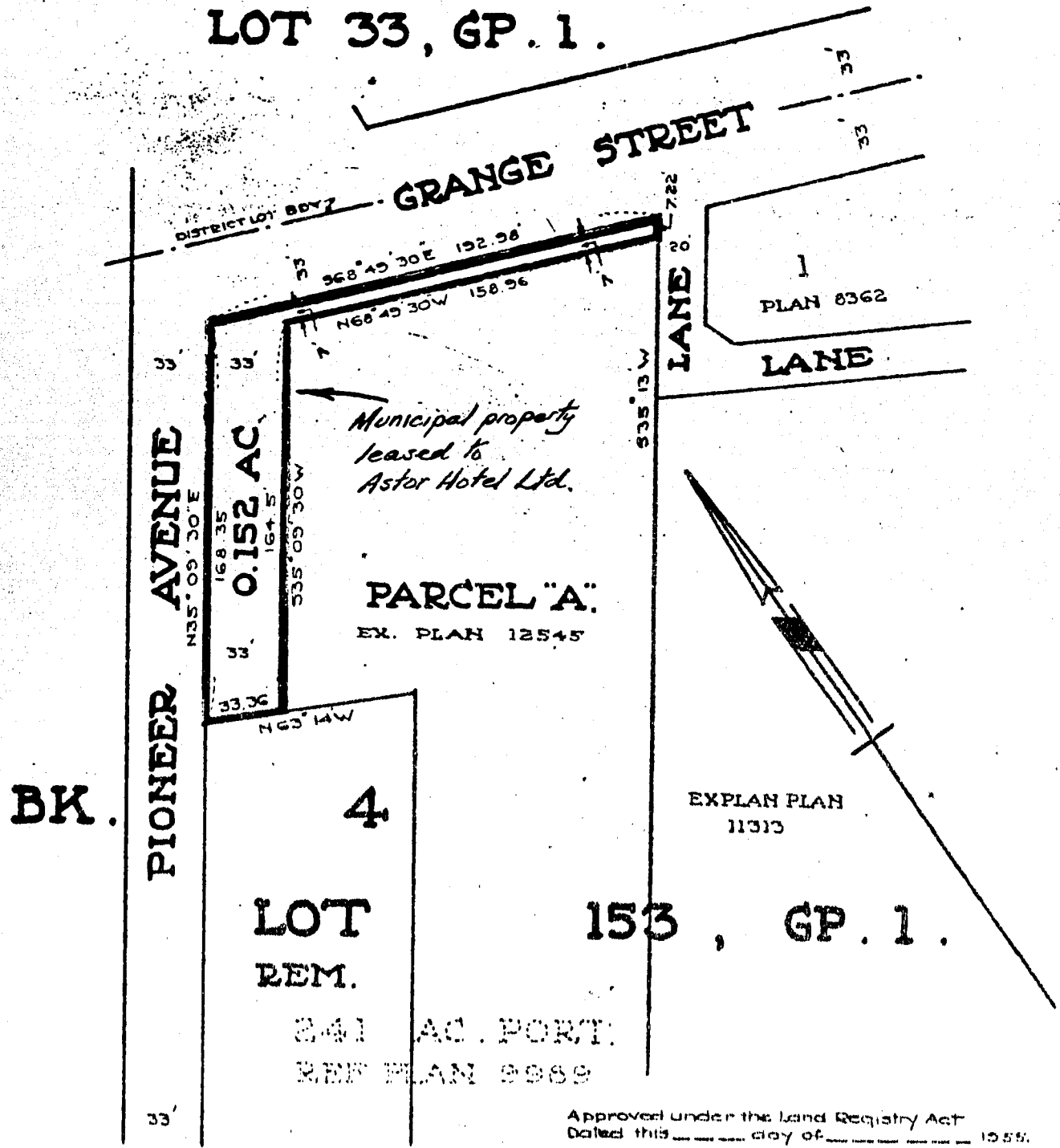
SCALE: 1 INCH = 60 FEET

Note: Bearings are referred to Meridian of Ref. Plan 9989.

ITEM 10
MANAGER'S REPORT NO. 33
COUNCIL MEETING May 5/75

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LOT 33, GP. 1.



BK.

PIONEER AVENUE

4

LOT REM.

153, GP. 1.

Certified correct according to
Land Registry Office Records
Dated this 11th day of
February, 1985.

[Signature]
D.C.L.D.

DAVID H. BURCH
Surveyor
No. 20, Burnaby B.C.

Approved under the Land Registry Act
Dated this _____ day of _____ 1985.

Approving Officer

ASTOR HOTEL LTD.

Owner

Witness