

Re: LEASE OF MUNICIPAL LAND TO THE ASTOR HOTEL LTD.
0.152 Acre Portion of Parcel "A" of Lot 4, D.L. 153, Grp. 1, N.W.D.
(Item 15, Report No. 51, August 5, 1975)
(Item 5, Report No. 12, February 23, 1976)

A. Background

Following is background information on a parcel of property that the Municipality is leasing to the Astor Hotel for parking purposes:

1. Council received Item 5, Report No. 12 on February 23, 1976 (see attachment).

The recommendation in this report was not adopted. Instead, Council during consideration of the matter suggested that the sale price should be from \$45,000 to \$70,000; that the Land Agent should negotiate a price that is the market value and; that the lot should be leased and steps taken to cancel Pioneer Avenue. The matter was then referred to staff for a further report.

2. With respect to the lease, the original term was for 20 years with a renewal rate of \$50 per annum, and it allowed for 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 if we lease, 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.

B. Existing Situation

Our alternatives are to renew the lease or to sell the parcel for \$12,000. If we sell, the sale could conceivably result in the hotel acquiring a portion of Pioneer Avenue under the Plans Cancellation Act. In this case, we could expect to get no compensation for the taking of Pioneer Avenue. The only acceptable alternative, therefore, is to renew the lease. This would be desirable because should the hotel acquire a portion of Pioneer Avenue under road closing or road exchange by-laws, the Municipality would be compensated accordingly.

Attached is a report from the Land Agent on this matter.

RECOMMENDATIONS:

1. THAT the subject property not be sold at this time; and
2. THAT Council approve renewal of the subject lease for a term of 20 years.

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ITEM	8
MANAGER'S REPORT NO.	58
COUNCIL MEETING	Sept. 20/76

TO: MUNICIPAL MANAGER September 10, 1976

FROM: LANDS DEPARTMENT

SUBJECT: LEASE OR SALE OF MUNICIPAL LAND TO ASTOR HOTEL LTD.,
PARCEL "A" of LOT 4, D. L. 153, GROUP 1

Further to Council's directive, Item 5, Manager's Report No. 12, Council meeting of February 23, 1976. We requested input from both the Legal and Planning Departments.

Mr. W. L. Stirling of our Legal Department advised that the lessee, having complied with all the terms of paragraph 12 of the said lease, is entitled to demand the renewal for a further term of twenty years. If the Municipality does not grant the renewal lease, the lessee may sue for specific performance and damages and, in his opinion, would succeed.

In accordance with Council's instructions, we did negotiate with the Astor Hotel resulting in an adjustment of their offer from \$9,000.00 to \$12,000.00.

The Planning Department has recommended that the subject property not be sold at this time. The rationale behind this recommendation is that the ownership by the Astor Hotel of the said lands would open up the opportunity for the Astor Hotel to undertake cancellation of a portion of Pioneer Avenue via the plans cancellation route.

We have discussed our position with the Planning Department and agree that we should await a request from the Astor Hotel to abandon and sell the road allowance.

For the reasons set out above, we are not prepared to recommend acceptance of the offer which has been made.

It is our recommendation that the renewal of the existing lease agreement would be the best course to follow until such time as a decision can be made regarding the closure of Pioneer Avenue.

E. W. Grist
E. W. Grist
Land Agent

FAB/jco

cc: Clerk, Director of Planning

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MANAGER'S REPORT NO.	58
COUNCIL MEETING Sept. 20/76	

ITEM 5
MANAGER'S REPORT NO. 12
COUNCIL MEETING Feb. 23/76

Re: PROPOSED SALE OF MUNICIPAL LAND TO THE ASTOR HOTEL LTD.
0.152 Acre Portion of Parcel "A" of Lot 4, D.L. 153, Grp. 1, N.W.D.
(Item 15, Report No. 51, August 5, 1975)

On August 5, 1975, Council adopted the following recommendation with respect to a parcel of property which the Municipality has been leasing to the Astor Hotel for parking purposes:

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

Attached is the report that Council received on this matter at that time (Item 15, Report No. 51).

Following is a report from the Land Agent on the negotiations that were recently concluded for sale of the subject property.

RECOMMENDATION:

1. THAT the subject property be sold to Astor Hotel Ltd. for \$9,000 subject to the condition that it be consolidated with that Company's abutting holdings.

DATE: Feb. 16, 1976

TO: MUNICIPAL MANAGER

FROM: LAND AGENT

RE: Lease or Sale of Municipal Land to Astor Hotel Ltd.
Pcl. "A" of Lot 4, D.L. 153, Group 1, N.W.D.

The Council at its meeting of August 5, 1975 directed that the Land Agent negotiate with the Astor Hotel Ltd. for the sale and consolidation of that portion of the parking lot comprised of 0.152 ac. as shown on the attached sketch.

The existing lease agreement contains a renewal clause allowing this lessee to renew the said lease for a further 20 years at a rental rate of \$50 per annum.

Accumulated value of this lease 20 years hence compounded at 10% per annum is \$3,082 plus return of the land.

We have received from the Astor Hotel an offer to purchase the subject property for the sum of \$9,000 cash.

By comparing a straight cash purchase to the lease arrangement, depositing the \$9,000 at 10% per annum over a period of 20 years will accumulate to \$63,359.89...

Any future recapture from the sale of the subject land will be subject to the consolidation with adjoining property.

We therefore recommend that we accept the offer to purchase the subject property for the sum of \$9,000 cash.

E. W. Grist
E. W. Grist
LAND AGENT

FAE/cg
CC: TREASURER
PLANNING DIRECTOR
SOLICITOR

ITEM 8 MANAGER'S REPORT NO. 8 COUNCIL MEETING Sept. 20/76	ITEM 5 MANAGER'S REPORT NO. 12 COUNCIL MEETING Feb. 23/76	ITEM 15 MANAGER'S REPORT NO. 51 COUNCIL MEETING Aug. 5/75
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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.

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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.

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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COUNCIL MEETING Feb. 23/76

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 5
MANAGER'S REPORT NO. 12
COUNCIL MEETING Feb. 23/76
ITEM 15
MANAGER'S REPORT NO. 51
COUNCIL MEETING Aug. 5/75

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

ITEM	8
MANAGER'S REPORT NO.	58
COUNCIL MEETING	Sept. 20/76

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.

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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.

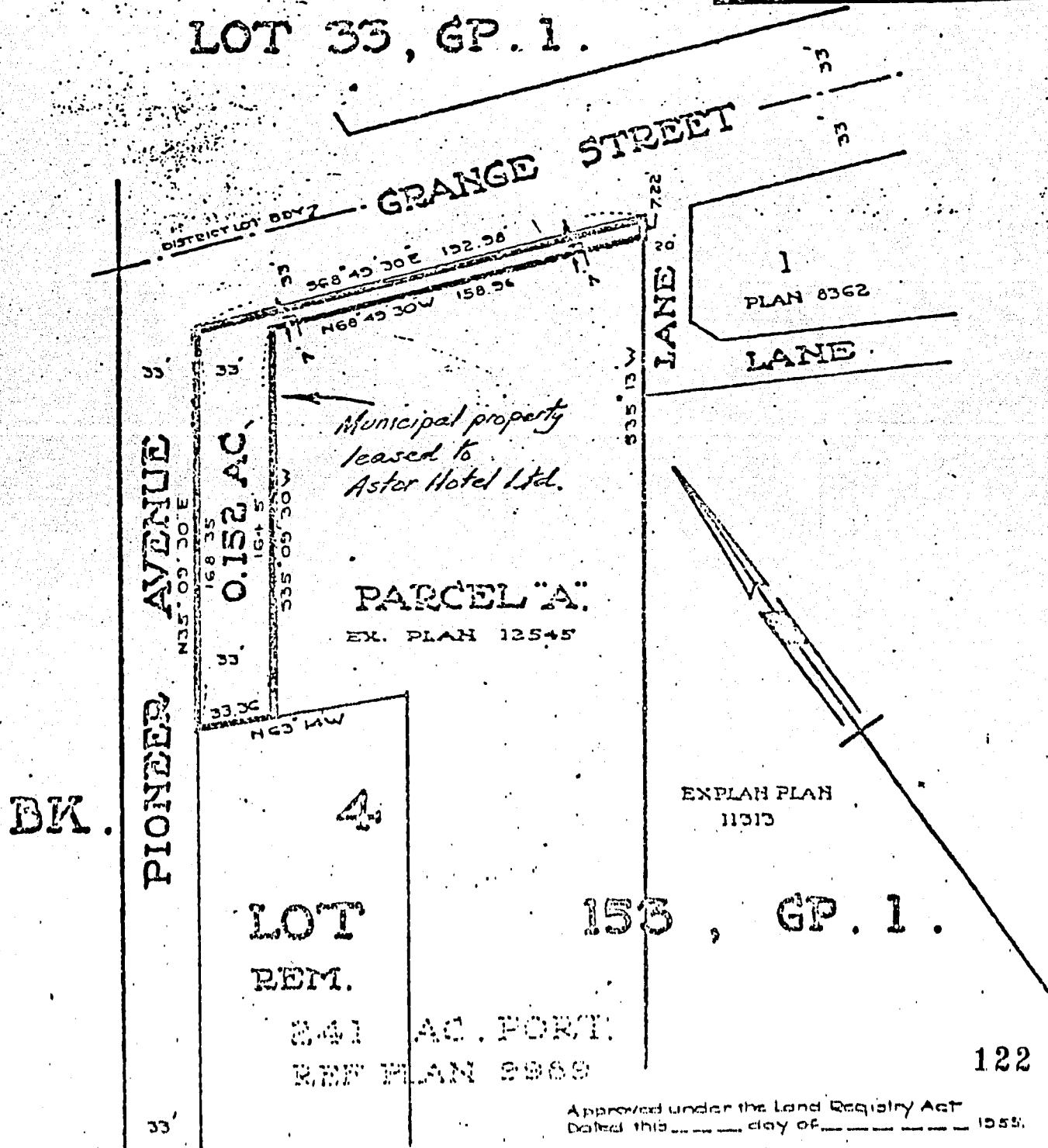
PLAN OF A PORTION OF
PARCEL A OF LOT 4,
LOT 153, GROUP 1,
NEW WESTMINSTER DISTRICT.
 ACCORDING TO EXPLANATORY PLAN 12545.

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	
ITEM 15	
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LOT 33, GP. 1.



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

[Signature] D.C.L.D.

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

 Approving Officer.

ASTOR HOTEL LTD.

 Owner.