

ITEM	9
MANAGER'S REPORT NO.	27
COUNCIL MEETING	Apr. 26/76

Re: BURNABY PUBLIC LIBRARY: LEASEHOLD OFFICE/STORAGE REQUIREMENTS

Attached is the report of the Chief Librarian dated April 22, 1976, regarding the above.

The improvements to the rental premises have not yet been quite finalized, and the Chief Building Inspector is working closely with the Chief Librarian in this connection. We feel confident of the figures in the report as we have an estimate from the owner to do the work suggested, and the Chief Building Inspector as well as the Construction Manager, Mr. E. Hibbs, have worked on this costing. The Chief Building Inspector will prepare drawings and specifications for the work and in all likelihood we will negotiate a contract with the owner, Robco Construction Ltd., to do the tenant finishing.

The Library Board will be financing the work from Reserves under its jurisdiction and will be repaying the funds back to the Reserves over three years with interest.

Attached is a copy of a memo dated April 21, 1976, from the Land Agent showing that there will be 5,700 square feet of office space in the total 13,000 square feet leased area, and that the average rate for the entire 13,000 square feet will be \$3.86 per square foot including tenant improvements.

The Board for obvious timing reasons is very anxious to get on with the work involved. Considering the lighting and heating conditions required by the Library and the length of the lease, the Land Agent feels that the basic rental rate negotiated is reasonable. We have checked the market very thoroughly, and have looked carefully at comparisons.

RECOMMENDATIONS:

THAT authority be granted to execute the lease for office/warehouse premises at 4455 Alaska Street at a cost of \$31,850 per annum for a three year period; and

THAT tenant improvements be carried out by negotiated contract with Robco Construction at an estimated cost of \$51,872.

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TO: MUNICIPAL MANAGER

22 April 1976

FROM: CHIEF LIBRARIAN

RE: BURNABY PUBLIC LIBRARY: LEASEHOLD OFFICE/STORAGE REQUIREMENTS

Burnaby Public Library is presently leasing accommodation at Thunderbird Crescent with a floor area of 5,000 square feet of which approximately 2,000 square feet is for office use and the remainder for book storage purposes. The existing lease expires 30 June 1976 (with an option to renew by 31 May 1976).

Overcrowding in this facility necessitated the leasing of additional interim office and warehouse space at 2729 Lake City Way for a two year period from 1 April 1975. In a report to Council (Item #2, Manager's Report #5, 27/1/75), Council was advised that although separate sites would not diminish the overall effectiveness of the administrative function of the library, the long-range plan was to consider the reconsolidation of the two departments in one building after the current lease on the Thunderbird Crescent facility expired in 1976. Council approved the leasing of the additional 3,000 square feet of space on 27 January 1975.

The services, staff and materials now accommodated in these two facilities will be housed within the proposed new Main Branch Library when that building is completed. Assuming that a money bylaw is approved for presentation to the people in November 1976, that this is successful, and that construction commences in January 1977, the earliest date for completion would be mid-1978. Since delays would seem inevitable, mid-1979 is a more realistic estimate for the opening of the new Main Library building.

This indicates that a three year lease is required for temporary interim accommodation to store the accumulation of books required to be housed in the new Main Branch Library plus the administrative and technical services of the library system. Present storage facilities will be overcrowded before the end of this three year period so that an extension of the existing leases for so long would be inadequate for the library's needs. The reconsolidation in one unit also offers more flexibility in space than is available from two smaller units.

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Accordingly, Municipal staff was instructed to seek suitable leasehold accommodation "of approximately 12,000 - 15,000 square feet in area for the combined use of administrative and technical services ... and storage purposes with leasehold availability from the time that the existing Headquarters lease expires until such time that a new central library is constructed". (Burnaby Public Library Board Minute #9 (c) - meeting 15/1/75)

Suitable premises have been found at 4455 Alaska Street, Burnaby. The proposal is to lease warehouse and office facilities at a base price of \$2.45 per square foot for an area of 13,000 square feet for a total cost of \$31,850 per annum. The lease is to be for three years commencing 15 May 1976 with an option to renew for a further time period from 15 May 1979.

The total costs of improvements in the rented premises are estimated to be \$51,872. The landlord is prepared to carry out these improvements on behalf of the tenant and amortise the costs over the three year leasehold period.

The Municipal Land Agent has recommended that the Corporation finance the construction of the office space thus avoiding the high interest rates required to borrow this amount over a period of three years. The Municipal Treasurer concurs with this recommendation.

It is proposed that capital funds be used to finance the construction of these improvements by the landlord. The library's capital budget contains sufficient funds for this purpose.


It is proposed to establish a sinking fund for the course of the lease in order to permit the recapture of the initial capital investment (plus interest on this amount). An additional saving may be effected from the value of depreciated equipment and fittings within the building.

The Chief Librarian presented a recommendation to the Burnaby Public Library Board. At its meeting 11 March 1976, the Burnaby Public Library Board regularly moved, seconded and carried the following motion:

"That the Library Board request Municipal Council to approve arrangements for the library to lease office/warehouse premises at 4455 Alaska Street, Burnaby, at a cost of \$31,850 per annum for a three year period and that improvements be carried out by financing those improvements from capital funds."

RECOMMENDATION:

THAT Council approve that leasehold arrangements for this accommodation be carried out as soon as possible.

  
Bryan L. Bacon,  
Chief Librarian.

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April 21, 1976

RECEIVED

re: PROPOSED LEASE - 4455 Alaska Street  
Book Storage Warehouse

Amendment to Report dated March 4, 1976

MUNICIPAL MANAGER'S  
 OFFICE

Base Lease		\$31,850.00 per annum or \$ 2,654.16 per month
Amended construction cost for office space	\$51,872.00	
PLUS loss of investment opportunity over a 3 yr. period @ 9 1/2% per annum	<u>16,654.28</u>	
Total Construction Cost to be recaptured:	\$68,526.28	
Present worth of return of \$7,000. in 3 yrs.' time	<u>5,298.75</u>	
Provision for recapture over a period of 3 yrs. @ 9 1/2% per annum		\$63,227.53
Sinking Fund factor: .024183 x \$63,227.53 =		\$ 1,529.00 per month
<u>Total monthly lease rate:</u>		
Base lease	\$2,654.16	
Provision for recapture	<u>1,529.00</u>	
Total:-		\$ 4,183.16
Annual Lease Rate:-		\$50,197.92
<u>Sq. Ft. Rates:</u>		
7,300 sq. ft. warehouse @ \$2.45 sq. ft.	\$17,885.00	
<u>5,700 sq. ft. office space @ \$5.669 sq.ft.</u>	<u>32,312.92</u>	
13,000 sq. ft. - average per sq. ft. \$3.86		\$50,197.92

RECOMMENDATION:

That we finance the construction of the office space thus avoiding the high interest rates required to borrow this amount over a period of 3 years.

FAB:iem

E. W. Grist,  
 Land Agent.

cc: Municipal Manager  
 Municipal Treasurer