

Re: BURNABY MOUNTAIN GOLF COURSE COFFEE SHOP
BEER AND WINE LICENSE

ITEM	6
MANAGER'S REPORT NO.	7
COUNCIL MEETING	Jan. 31/77

Following is a report from the Parks and Recreation Administrator regarding a proposed beer and wine license for the Burnaby Mountain Golf Course Coffee Shop.

RECOMMENDATIONS:

1. THAT Council endorse the application of the lessee of the Burnaby Mountain Golf Course Coffee Shop for a beer and wine license; and
2. THAT a levy of 10% be made of gross non-liquor sales in excess of \$40,000 under a separate agreement; and
3. THAT renovations to the Burnaby Mountain Golf Course Coffee Shop, as outlined in Drawing \$32-33-1-A, be approved subject to Building, Health, Fire and other applicable regulations (see attached); and
4. THAT all costs of the named renovations, plus any others required by the regulatory bodies, shall be at the expense of the lessee; and
5. THAT the Mayor and Municipal Clerk be authorized to execute the necessary documents.

* * * *

TO: MUNICIPAL MANAGER January 27, 1977
FROM: PARKS AND RECREATION ADMINISTRATOR Our File: S85-2
RE: BURNABY MOUNTAIN GOLF COURSE COFFEE SHOP
BEER AND WINE LICENSE

The Parks and Recreation Commission has for some time been studying the possibility of permitting the lessee of the Golf Course Coffee Shop to apply for a beer and wine license. At its meeting of the 26th of January, 1977, the Commission decided in favour of such a license and agreed to recommend it to Council.

A beer and wine license is offered by most golf course coffee shops in the lower mainland, and has been the subject of many requests from Burnaby Mountain Golf Course patrons. Additionally, the Coffee Shop is doing very poor business and the addition of the license would help it considerably. It is also anticipated that patronage of the golf course and the driving range would increase, resulting in increased indirect Municipal revenue, as well as increased revenue from the Coffee Shop operation.

During the course of its deliberations, the Commission has received input from the R.C.M.P., Municipal Treasurer, Land Agent and Chief Public Health Inspector regarding patron control, internal audit control, additional lease fees and alterations to washroom and shower facilities, respectively. The Commission is satisfied that in each of these areas the best interests of the Corporation and the Golf Course services will be met by this recommendation.

Continued ...

Re: Burnaby Mountain Golf Course Coffee Shop - Cont'd.

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With respect to additional lease fees, the Land Agent's opinion, as expressed in his memo of January 9, 1976 (copy attached), is that a commercial rate based on his survey of licenced restaurants in the area should be charged. Council will recall that the Corporation lost money on this Coffee Shop operation for several years prior to the present lessee taking over. As an inducement to private enterprise taking over a losing proposition, a special set of lease fees was agreed to by Commission and Council for the first five-year lease. They are as follows:

"January 1975 to April	1975 - \$	1.00 per month
May 1975 to "	1976 -	75.00 per month; \$900 per annum
May 1976 to "	1977 -	100.00 per month; 1200 per annum
May 1977 to "	1978 -	125.00 per month; 1500 per annum
May 1978 to December	1979 -	162.50 per month; 2050 per annum

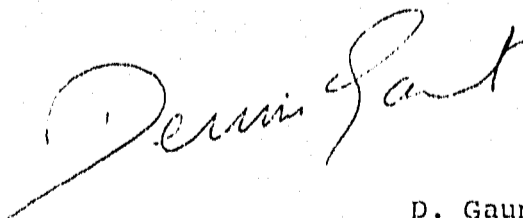
TOTAL FIVE-YEAR PAYMENT = \$5,654.00 plus taxes."

The Commission feels that this commitment of a previous Commission and Council should be honoured for the remaining two and one-half years, and a surcharge of 10% of gross non-liquor sales in excess of \$40,000 be charged for the privilege of obtaining a beer and wine license. Following completion of the five-year lease, the whole question of lease rates will be opened up and the assistance of the Land Agent solicited in the negotiating of a new rate.

RECOMMENDATIONS:

1. THAT Council endorse the application of the lessee of the Burnaby Mountain Golf Course Coffee Shop for a beer and wine license.
2. THAT a levy of 10% be made of gross non-liquor sales in excess of \$40,000 under a separate agreement.
3. THAT renovations to the Burnaby Mountain Golf Course Coffee Shop, as outlined in Drawing #32-33-1-A, be approved subject to Building, Health, Fire and other applicable regulations (see attached).
4. THAT all costs of the named renovations, plus any others required by the regulatory bodies, shall be at the expense of the lessee.
5. THAT the Municipal Manager be authorized to execute the necessary documents.

Respectfully submitted,



D. Gaunt,
Administrator

DG:lf

Attachments (2)

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COUNCIL MEETING	Jan. 31/77

INTER-OFFICE COMMUNICATION

TO: Parks & Recreation Administrator
 DEPARTMENT: Parks & Recreation
 DATE: Jan. 9/76

FROM: E. W. Grist
 DEPARTMENT: Lands
 OUR FILE #

SUBJECT: BURNABY MOUNTAIN GOLF COURSE COFFEE SHOP
 YOUR FILE # 585-2

In response to your memo of Jan. 6/76, we have undertaken an analysis of the current rate charged by the private sector for the lease of commercial premises in open competition with other restaurants licensed for the sale of beer and wine.

The best indicator of the going lease rate charged, was by the number of seats permitted in each establishment. These rates reflected between \$10. and \$12.30 per seat per month, plus taxes.

Applied to the subject property, having a seating capacity of 34, the market would indicate a lease rate of say \$11. per seat, or \$374. per month. This rate includes the parking provided by the golf course.

We have examined the November 1975 statement prepared by Trigg Wyne, Concessionaire, indicating in 1974 a total number of players of 69,364, and up to November 1975 - 52,527.

Assuming only one-third of this number, plus an additional number of non-players drawn from the surrounding residential development, annual patronage could amount to 25,000. If each spends an average of \$2., a gross income of \$50,000. should yield a gross profit of approximately \$25,000. per annum.

We therefore feel no hardship would be imposed by a lease rate of \$4,488. per annum, plus taxes.

Replacement Value, including the required amount for washrooms:-

Total area - 1,354 sq. ft. @ \$28. per sq. ft. =	\$37,912.
Lot Value	<u>10,000.</u>
Total:-	\$47,912.
Rounded to	\$48,000.

Current renting lease rate, \$4,488. per annum, returns a yield of 9.35% on the Municipal investment.

Recommendation: That the lease rate charged should be related to the final seating capacity after the renovations are completed, in the amount of \$11. per seat per month, plus taxes.

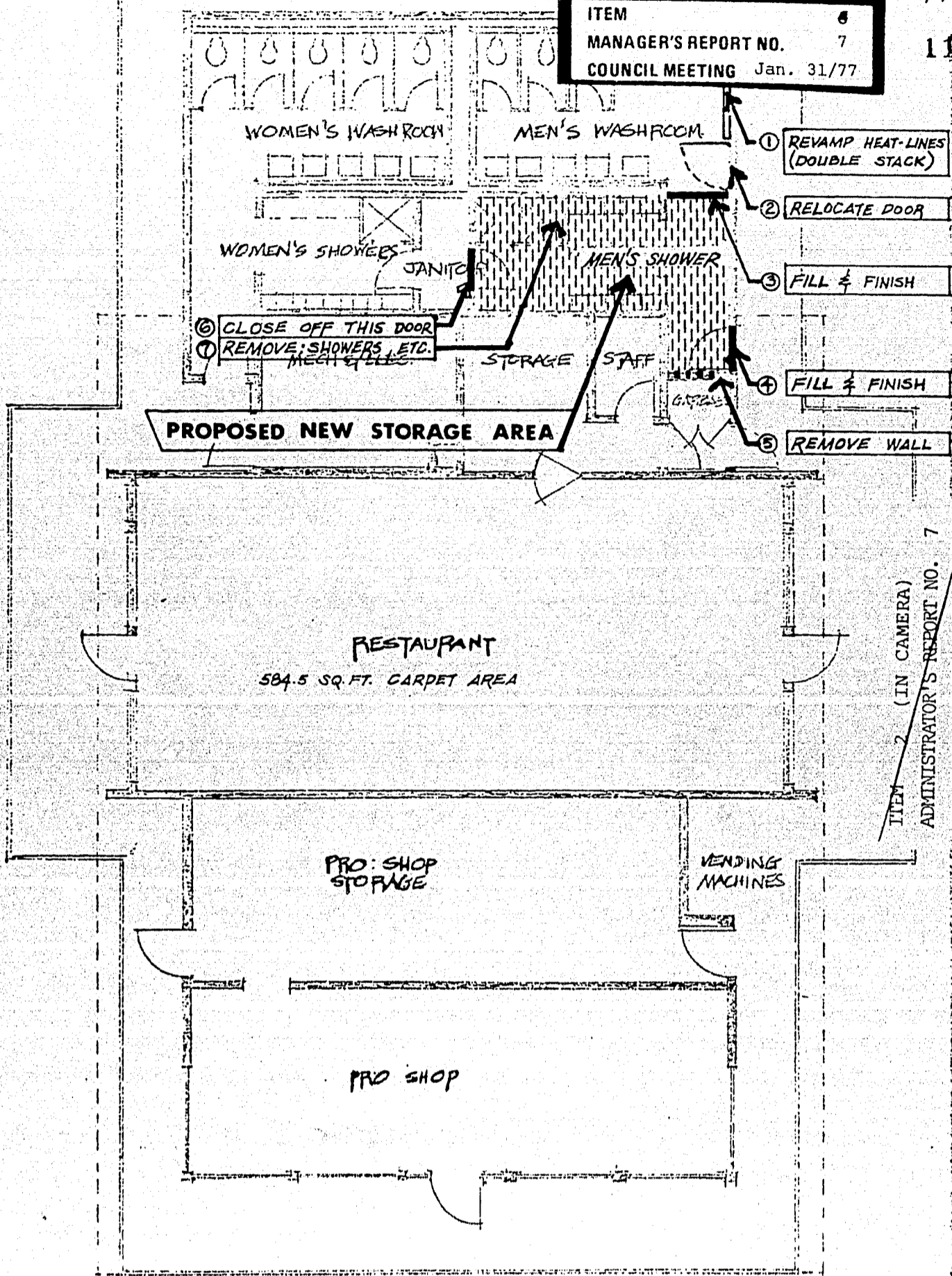
FAE:iem
 Enc.
 cc: Municipal Manager, Municipal Treasurer.

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

ITEM 10 (SUPPLEMENTARY)
 ADMIN. REPORT NO. 23
 COMMISSION MEETING DEC. 1/76

ITEM 6
 MANAGER'S REPORT NO. 7
 COUNCIL MEETING Jan. 31/77

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ITEM 2 (IN CAMERA)
 ADMINISTRATOR'S REPORT NO. 7
 COMMISSION MEETING APR. 7/76

REV. A - DEC. 75 - PROPOSED NEW STORAGE AREA (COFFEE SHOP)

BURNABY MOUNTAIN GOLF COURSE
 CLUBHOUSE - FLOOR PLAN

CORPORATION OF THE DISTRICT OF BURNABY
 PARKS AND RECREATION DEPARTMENT
 PARKS
 DRAWING NO. 132351-A
 CHECKED BY: DATE: 1/12/76