

ITEM	9
MANAGER'S REPORT NO.	83
COUNCIL MEETING	1979 12 10

RE: NATIONAL HARBOURS BOARD LEASES V-508(3), V-1359(2) AND V-1365(2)
(ITEM 15, SUPPLEMENTARY REPORT NO. 64, 1979 SEPTEMBER 24)
(ITEM 8, REPORT NO. 77, 1979 NOVEMBER 13)

Following is a report from the Director of Planning on the proposed renewal of three water lot leases.

RECOMMENDATIONS:

1. THAT the recommendations of the Director of Planning be adopted.
2. THAT a copy of this report be sent to the Parks and Recreation Commission for information.

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TO: MUNICIPAL MANAGER 1979 NOVEMBER 29
FROM: DIRECTOR OF PLANNING OUR FILE: 03.606
SUBJECT: NATIONAL HARBOURS BOARD LEASES - RECREATIONAL USE
AND UTILITY USE

RECOMMENDATIONS:

1. THAT Council approve the revised lease rates for the subject leases for a further period of three years commencing 1979 December 31 to 1982 December 30 as follows:

Lease No. V-508(3) - from \$450.00 to \$720.00 per annum (3 parcels)
Lease No. V-1359(2) - from \$300.00 to \$500.00 per annum (2 parcels)
Lease No. V-1365(2) - from \$300.00 to \$500.00 per annum (2 parcels)
2. THAT Council request the Municipal Clerk to forward a copy of this report to the Chief of Property Management Services, National Harbours Board, Ottawa, together with a formal request for the Board to consider amending their lease agreements for non-profit public use to include a provision for linking future rental increases to the national rate of inflation.
3. THAT copies of this report be forwarded to Mr. Chuck Cook, MP for North Vancouver-Burnaby and Mr. Svend Robinson, MP for Burnaby.

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If this scale was employed to the Carleton Avenue and Gilmore Avenue sewers, the following would apply:

Carleton Avenue - 12 inch diameter sewer which is submarine and on surface for a distance of 35 feet,
12 x .04 x 35 = \$16.80 (therefore, the \$25 minimum would apply).

Gilmore Avenue - 10 inch diameter sewer which extends 120 feet,
10 x .04 x 120 = \$68.00

3. NANAIMO HARBOUR COMMISSION

They do not currently lease any waterlots for non-commercial recreational use.

Utility outfalls are leased for \$1 per year.

4. FEDERAL GOVERNMENT - MINISTRY OF TRANSPORT

Recreational waterlots are leased for \$100 per year.

Utility outfalls are leased for \$100 per year.

5. PROVINCIAL GOVERNMENT - MINISTRY OF LANDS, PARKS AND HOUSING

Recreational waterlots are leased for \$25 per year.

6. NATIONAL HARBOURS BOARD

Recreational waterlots are leased for \$250 per parcel per year.

Utility outfalls are leased for \$240 per parcel per year.

Staff contacted Mr. Pierre Hewitt, Chief of Property Management Services in Ottawa to determine the basis for the National Harbours Board policy for waterlot rentals. Mr. Hewitt advised that the policy is a national policy which is applied in all areas under their jurisdiction. This fact was confirmed by staff through discussions with other Lower Mainland Municipalities and staff of the Port of Prince Rupert.

Mr. Hewitt advised that, in their view, the rates are nominal and intended to recover administrative costs. As a Crown Corporation, rather than a Federal Department, the National Board's mandate is to operate on a cost recovery basis. Consequently, they have adjusted their rates accordingly.

We were advised that the Board's policy is to continue affording nominal rates for public use where no profit is derived by the Lessee,

RATE INCREASE FOR COMMERCIAL WATERLOT LEASES VS RECREATIONAL LEASES

Council has requested information on the percentage increase for the lease of waterlots for commercial purposes as opposed to the lease of waterlots for sewer outfalls and recreational purposes over the same period.

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In this regard, staff from the Port of Vancouver have advised that commercial lease rates are established according to the specific conditions surrounding a particular enterprise. The Board's position is to maximize the return without placing an undue financial hardship on an industry or commercial venture. In this sense, they act like the private sector, maximizing their return without jeopardizing the viability of the lease.

While we were not able to obtain specific lease rates for comparison, we were advised that, as an overall average, the percentage rate of increase for commercial enterprises has risen much higher than the nominal rate afforded Municipalities.


SUMMARY CONCLUSION:

While the National Harbours Board's lease rates are considerably higher than those of other governmental agencies, their mandate dictates that they operate on a cost recovery basis. The only issue would, therefore, seem to be the establishment of an equitable formula for future increases. If indeed the current rate is a nominal rate which recovers administrative costs, then future increases need only keep pace with inflationary trends. It would seem appropriate, therefore, to recommend that the National Harbours Board amend their lease agreements to include a provision for linking future increases to the national rate of inflation. In this situation, mutually satisfactory safeguards would be in place which would negate any concern over the rate of these future rental increases.

It must be recognized that the maintenance of these waterlots under Municipal Control is of extreme importance to the development of Burnaby's park objectives on Burrard Inlet. For example, Lease V-1359(2) comprises approximately 11.42 acres of the Barnet Marine Park with a lineal frontage of approximately 762 feet. Lease V-1365(2) comprises approximately 27.33 acres of Confederation Park with a lineal frontage of approximately 1800 feet.

The combined rentals for these park areas is \$1000 per year for the four parcels or \$0.0006 per square foot. In view of their extreme importance to the parks, we are recommending that Council approve the revised lease rates for the period 1979 December 31 to 1982 December 30.

Inasmuch as Mr. Chuck Cook, MP for North Vancouver-Burnaby and Mr. Svend Robinson, MP for Burnaby, have expressed considerable interest in this subject, it is recommended that a copy of this report be forwarded for their information.


A. L. Parr
DIRECTOR OF PLANNING

PB/sam

c.c.: Parks and Recreation Administrator
Municipal Engineer
Municipal Treasurer
Municipal Solicitor