RE: LEASE OF SPACE IN THE JUSTICE BUILDING TO THE PROVINCIAL GOVERNMENT

Following is a report from the Municipal Solicitor regarding the lease of space in the Justice Building to the Provincial Government.

RECOMMENDATION:

1. THAT the recommendation of the Municipal Solicitor be adopted.

* * * * * * *

TO: MUNICIPAL MANAGER

OCTOBER 31, 1979

FROM: MUNICIPAL SOLICITOR

RE: REVISION OF THE LEASE RATE ON THE 19,950 SQ.FT. OF THE JUSTICE BUILDING, LEASED TO THE PROVINCE OF BRITISH COLUMBIA

RECOMMENDATION:

1. THAT the rent paid by the Province of British Columbia on the lease of 19,950 sq. ft. in the Justice Building be increased from \$8,101.00 per month (\$4.96 per sq. ft.) to \$10,203.13 per month (\$6.25 per sq. ft.) commencing 1st of April, 1979. All other terms and conditions as contained in the existing

REPORT

When the Provincial Government took over the administration of the Courts, the Corporation leased 19,950 sq. ft. of the Justice Building to the Province of British Columbia.

The current revised lease was entered into on the 1st of December, 1976. The initial base lease was \$8,101.00 per month or \$4.962 per sq. ft. per annum plus operational costs which are adjusted annually. The said lease contained a clause permitting the lease rate to be re-negotiated on the 1st of April, 1979 for the balance of the term which expires on the 31st of March, 1982.

LEASE RATES

The space in the Justice Building compares favourably with space that is being leased by the private sector in better class buildings. For example, the current base lease rate for space in established buildings is between \$5.00 and \$6.25 per square foot, and base lease rates in newer buildings are now being quoted at \$7.00 per square foot. (The total cost to a lessee would require an additional amount to cover costs of operation, i.e. a current average of approximately \$4.00 per square foot per annum).

 ITEM
 11

 MANAGER'S REPORT NO.
 75

 COUNCIL MEETING
 1979
 11
 05

- 2 -

142

As a Lessee, the Provincial Government has completed the two unfinished court rooms, the judge's chambers and upgraded other areas at its own expense.

NEGOTIATIONS:

Following considerable negotiations with the British Columbia Buildings Corporation, we have now received their agreement to pay a base rate of \$6.25 per sq. ft. or \$10,203.13 per month commencing 1st of April, 1979. All other terms and conditions to remain the same.

W. L. Stirling, MUNICIPAL SOLICITOR

FAE:mc

CC: TREASURER