

ITEM 10  
MANAGER'S REPORT NO. 13  
COUNCIL MEETING 1982 03 01

RE: PROPOSED LEASE - 6450 DEER LAKE DRIVE  
PARCEL "W", EXPL. 255 AND PARCEL "D", EXPL. 4272 OF D.L. 85  
(SUPPLEMENTARY IN-CAMERA ITEM 4, REPORT NO. 63, 1981 DECEMBER 14)  
(ITEM 2, REPORT NO. 3, 1982 JANUARY 11)

MUNICIPAL MANAGER'S RECOMMENDATION:

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

\* \* \* \* \*

February 24, 1982

TO: MUNICIPAL MANAGER  
FROM: SOLICITOR  
RE: PROPOSED LEASE - 6450 DEER LAKE DRIVE  
PARCEL "W", EXPL. 255 AND PARCEL "D",  
EXPL. 4272 OF DISTRICT LOT 85

RECOMMENDATION:

1. THAT the subject property be leased for an initial period of three (3) years at a monthly rental of \$1,250 which includes municipal taxes on a base year of 1982. Tax increases over 1982 to be absorbed by the tenant.
2. THAT the said lease shall contain an option to renew for a further period of two (2) years, at a rate to be negotiated.
3. THAT the Municipal Solicitor be directed to prepare a lease and bring forward a Lease Authorization Bylaw.

R E P O R T

BACKGROUND

Council at its meeting of January 11, 1982 (Item 2, Manager's Report No. 3 January 11, 1982) authorized the lease of the subject property for a period of five (5) years with the rent to be reviewed annually. Initial rental rate \$12,000 per annum plus taxes.

During the very cold snap in early January there was a power outage which caused the heating system to close down; this in turn, resulted in extensive frost damage to the hot water heating system and plumbing fixtures. Report regarding cause and future action will be submitted when all costs are available.

In order to make repairs, wall panels and floors had to be removed and the bathroom fixtures had to be replaced. The combination of all this work being undertaken and ongoing problems with wiring, etc. unfortunately frustrated our lease agreement with Mr. and Mrs. Millar. We have now rectified the frost damage, brought the wiring up to the required standard and the house is now ready for occupancy.

MUNICIPAL MANAGER  
RE: 6450 DEER LAKE DR.

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PROPOSED RENTAL

In order to find a suitable tenant, we placed the following advertisement in the Sun and Province on the 10th, 11th and 12th of February 1982:

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For lease from March 1, 1982 older 3,500 sq. ft. executive home on five (5) acres with frontage on Deer Lake. Main Floor - livingroom, diningroom, parlor, library, breakfast room, kitchen, Upstairs - three (3) large bedrooms, 1½ bathrooms, single family occupancy only. Proposed lease rate \$1,150 per month plus municipal taxes. For further information contact Mr. Fred Evans, Legal/Lands Department at 294-7312.

We received around 30 telephone calls and showed the property to 15 parties; we subsequently received four offers to lease. The best offer was received from Mr. and Mrs. Napier at a monthly rent of \$1,250 with a base year for tax purposes of 1982, and any subsequent tax adjustment will be absorbed by the Lessee. Initial lease period will be three (3) years with a further option of two (2) years. Mr. and Mrs. Napier will undertake to redecorate and repair the water damage.

CONCLUSION

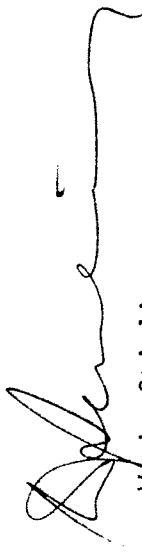
In order to determine the fair lease value of the subject property, we contacted a number of property management companies. They confirmed that they were experiencing difficulty in obtaining a rental rate in excess of \$900 per month gross. In fact, in the British Properties there are lavish homes available for lease with a pool and view for between \$1,400 - \$1,600 per month; this was also supported by our discussion with people making inquiries about the property. It is, therefore, our opinion that the negotiated lease offer is the best we can reasonably expect to receive on today's rental market.

FAE:gmc

cc: Director Recreation and  
Cultural Services

Director Planning and  
Building Inspection

Director Engineering



W. L. Stirling  
MUNICIPAL SOLICITOR