

RE: PROPOSED SALE OF MUNICIPAL LANDS
N.E. CORNER CANADA WAY/WILLINGDON AVENUE
RELATIVE TO ESTABLISHMENT OF GLENAYRE ELECTRONICS IN BURNABY

ITEM	5
MANAGER'S REPORT NO.	44
COUNCIL MEETING	1982 07 12

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Planning & Building Inspection be adopted.

* * * * *

TO: MUNICIPAL MANAGER
1982 July 06

FROM: DIRECTOR PLANNING & BUILDING INSPECTION
Our File: PS-3-82
D.L. 70

SUBJECT: PROPOSED SALE OF MUNICIPAL LANDS -
N.E. CORNER CANADA WAY/WILLINGDON AVENUE
RELATIVE TO ESTABLISHMENT OF GLENAYRE ELECTRONICS IN BURNABY

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RECOMMENDATIONS:

1. THAT Council authorize staff to advise Glenayre Electronics Ltd. that the Municipality is prepared to make lands available for sale by Public Tender within the Municipal Business Park at the northeast corner of the intersection of Canada Way and Willingdon Avenue as more particularly explained in the following report.

SUMMARY

Glenayre Electronics is a rapidly expanding high technology company involved in the development and manufacture of a sophisticated line of electronic products through substantial investment in research and development. They currently employ 160 persons consisting of 52 graduate engineers, 20 technicians, 25 administrative staff with the balance being production workers. They anticipate employing between 250 to 350 persons by 1984. They are, therefore, a highly desirable firm which would be of benefit to the Municipality.

The proposal to make the subject Municipal lands available for sale by Public Tender is being advanced to Council at this preliminary stage as it is not without certain ramifications. Glenayre Electronics has pursued the possibility of their establishing at the Willindon site in Discovery Parks. Staff has advised Discovery Parks Incorporated that we support this proposal. Notwithstanding this position, Glenayre has advised in writing that they will not be locating in Discovery Parks due to tenure and cost.

Glenayre has advised that they have also reviewed other private lands in Burnaby at the southeast corner of the intersection of the Lougheed Highway and Brighton Avenue (Quadrant Developments' site) and they have concluded that these lands are not suitable.

Given these corporate decisions, Burnaby is now faced with the prospect of Glenayre not locating in the Municipality. Staff, therefore, advanced the possibility of making Municipal lands available for sale within the proposed Canada Way/Willingdon business park. Glenayre has reviewed this site and has confirmed their desire to proceed with an acquisition as outlined in the attached 1982 July 05 letter. However, prior to proceeding with this matter further we require Council's direction.

R E P O R T

Background:

Glenayre Electronics is a high technology company heavily involved in research and development and the manufacture of a varied line of products which can generally be categorized as follows:

- a) communications
- b) power conversion systems
- c) transportation systems and instrumentation
- d) control panel assembly

Their building requirements are outlined in the attached 1982 July 05 letter. It has been proposed that Municipal lands be made available for sale within the proposed business park which is illustrated on the attached Figure C.

Proposed Site:

The development concept for this suburban business park foresees a group of individual office buildings fronting on Canada Way and Willingdon Avenue in sites 1, 2a and 2b, together with high quality internal light industrial and/or office uses in a designed landscape environment on sites 3a and 3b. In addition sites 2a and 2b may include internally oriented service centre functions such as a restaurant, limited service retail shops and recreation facilities to serve the needs of employees and patrons of the business park. Development under Comprehensive Development (CD) zoning is intended to assure high standards of design and on-going land use control.

The site being considered for the Glenayre proposal is identified as site 3a on Figure C. This interior location permits a certain degree of flexibility to be applied to the proposed use and the parking requirements. For example, the preliminary guidelines for the parcels fronting on Canada Way and Willingdon Avenue provide for a ratio of 90% under structure parking to 10% open parking. Presently the guidelines indicate the interior sites could accommodate parking which is 50% under structure and 50% open utilizing landscaped berms and/or planted trellises. This will impact the Glenayre proposal as they have advised that their ultimate development will require a minimum of 229 parking spaces.

Mechanics of Proposed Sale:

It has been proposed that fully serviced lands be offered for sale by Public Tender. At the present time the subject lands are not serviced to full Municipal standards. With the sale of adjacent lands to Teleglobe Canada in 1981 the Municipality initiated servicing of the business park at an estimated cost of \$137,560. The Engineering Department has advised that the cost of servicing the balance of the park will be approximately \$1,186,735 as outlined in the attached 1982 June 29 Preliminary Servicing Estimate. If this servicing were to proceed the Municipality would have approximately 15 acres of fully serviced lands available for sale. Included in these servicing works is the upgrading of Canada Way as outlined on the attached Figure D. These roadworks are required to obtain the approval of the Ministry of Transportation and Highways for the requisite rezoning and subdivision approvals.

The lands proposed for possible sale to Glenayre Electronics are approximately 3 acres in size. In 1981 three acres were sold to Teleglobe Canada for \$1,155,000 or \$8.83 per square foot. The Legal and Lands Department has advised that current market conditions would indicate a reasonable upset price for the subject lands of \$8.50 per square foot. They are prepared to recommend a Public Tender under an Agreement for Sale with 25% down and the balance paid over three years at the current interest rate.

Assuming the subject sale proceeds the Municipality could anticipate a further return of \$1,110,780 which, when added to the previous Teleglobe sale, would provide a total return of \$2,265,780. The total servicing costs for the business park have been estimated to be \$1,324,295. Net return to the Municipality at this time will, therefore, be approximately \$941,485. However, the major benefits will accrue through the future sale of a further 12 acres which are pre-serviced and available for development as market conditions dictate.

In addition to the benefits received through the land sale and increased employment opportunities, the projected taxes on three acres developed with a \$3M building will be in excess of \$160,000 per annum, exclusive of machinery taxes.

Inasmuch as the subject lands must be sold by Public Tender, it is conceivable that Glenayre may not be the successful purchaser. However, to avoid a situation whereby speculative interests may endeavour to acquire the property and hold it for future resale, we propose including provision in the tender call for the submission of a performance bond which would be forfeited in the event that development does not proceed within 18 months from the date the sale is finalized. In addition, we would recommend that the tender call state that the highest bid will not necessarily be accepted as all bids will be reviewed by Council and the nature and quality of the proposed use and the overall benefit to the community through job creation and tax return, will be factors in awarding the tender.

All bids would also need to be accompanied by a 5% deposit which is subject to forfeiture in the event that the successful bidder does not enter into a final agreement to buy the lands. The balance of the monies would be due once the lands are finally rezoned.

Planning & Building Inspection Department
re: NE Corner Canada Way/Willingdon Avenue
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If Council concurs with the proposal to make the subject lands available for sale as outlined, time will be of the essence as Glenayre has advised that they must be in their new building and operating by 1983 July 01. This will require a coordinated priority effort to tender, service the lands and obtain the requisite development approvals.


A.L. Parr
DIRECTOR PLANNING &
BUILDING INSPECTION

PB/mcb
Attachs:

cc: {
Municipal Solicitor
Director Engineering
Treasurer
}

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PB

Head Office

CANADA
Glenayre Electronics Ltd.
1551 Columbia Street
North Vancouver, B.C. V7J 1A3
Phone (604) 980-6041 • Telex 04-352520

Glenayre
electronics

U.S.A.
Glenayre Electronics Inc.
P.O. Box 1740
Blaine, Washington 98230-1740
Phone (206) 676-1980

July 5, 1982

The Corporation of
The District of Burnaby
4949 Canada Way,
Burnaby, B.C. V5G 1M2

Attn: Mr. Peter Bloxham, Planner
Commercial, Industrial Co-Ordinator

Dear Sir,

Ref: Parcel 3(a), Business Park
Canada Way & Willington Avenue

This will confirm our interest in the aforementioned property. Since our meeting of June 26th, we have held a directors meeting and I have tentative approval to proceed with negotiations, subject to their final review of all the facts.

This will also confirm our requirements and we must be assured that they can be met over the term of our plan.

- 1) We must be in the building and operating by July 1st, 1983.
- 2) For the initial stage we require approximately 54,000 sq.ft. (two floors) and parking for a minimum of 135 cars.
(Subject to the conditions contained herein, we are prepared to post a bond of \$1,000,000 that we will have the building in place 9 months after plan approvals.)
- 3) We must be able to build a minimum of 100,000 to 110,000 sq.ft. on two floors and have parking for at least 229 (prefer 250) cars when fully developed, which we expect in 18 to 36 months after initial move.

We have carefully considered both Discovery Park and also other properties, particularly the property adjacent to the Woodward's "Furniture Fair". The former is so expensive that we cannot compete in the international market (80% of our designs are sold outside of Canada). The latter is also too expensive at \$470,000 per acre and the location is not good for our people to use public transit.

If the public transit, etc. were not a factor, we should really locate in an area where land runs \$100,000 to \$110,000 per acre. Our U.S. and European competitors are not fighting the high costs encountered in this area. With a "par" dollar, B.C. would be the most expensive manufacturing area in North America.

...../2



July 5, 1982
Corp. of the District
of Burnaby.

As you know our manufacturing is all high technology. Our present staff is made up of 160 people, 52 graduate engineers, 20 technicians, 25 administrative people and the balance are production workers. Our industry is very clean. We require high quality space and a presentable image in the form of buildings, etc.

Based on your last land sale of approximately \$385,000 per acre to Teleglobe, we are at the upper end of our capability.

We are prepared to provide council with audited balance sheets, and other financial data. We expect to have 250 to 350 people employed by 1984. The present high level of technical staff would be maintained.

We ask your early consideration of our proposal and also that due consideration be given to the type of industry and jobs which we propose to bring to Burnaby. Any thing you can do to ease the initial cash outlay and/or defer any interest until full plans are approved, would be appreciated.

We would also ask your consideration of arranging at least a 15 minute meeting with the mayor and/or leading aldermen before your meeting.

Due to the short time available, please feel free to call me at home at 922-0644.

Yours very truly,




GLENAYRE ELECTRONICS LTD.

E.K. Deering
President

EKD:jv

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Generalized Land Use Concept Proposed Business Park - Canada Way & Willingdon

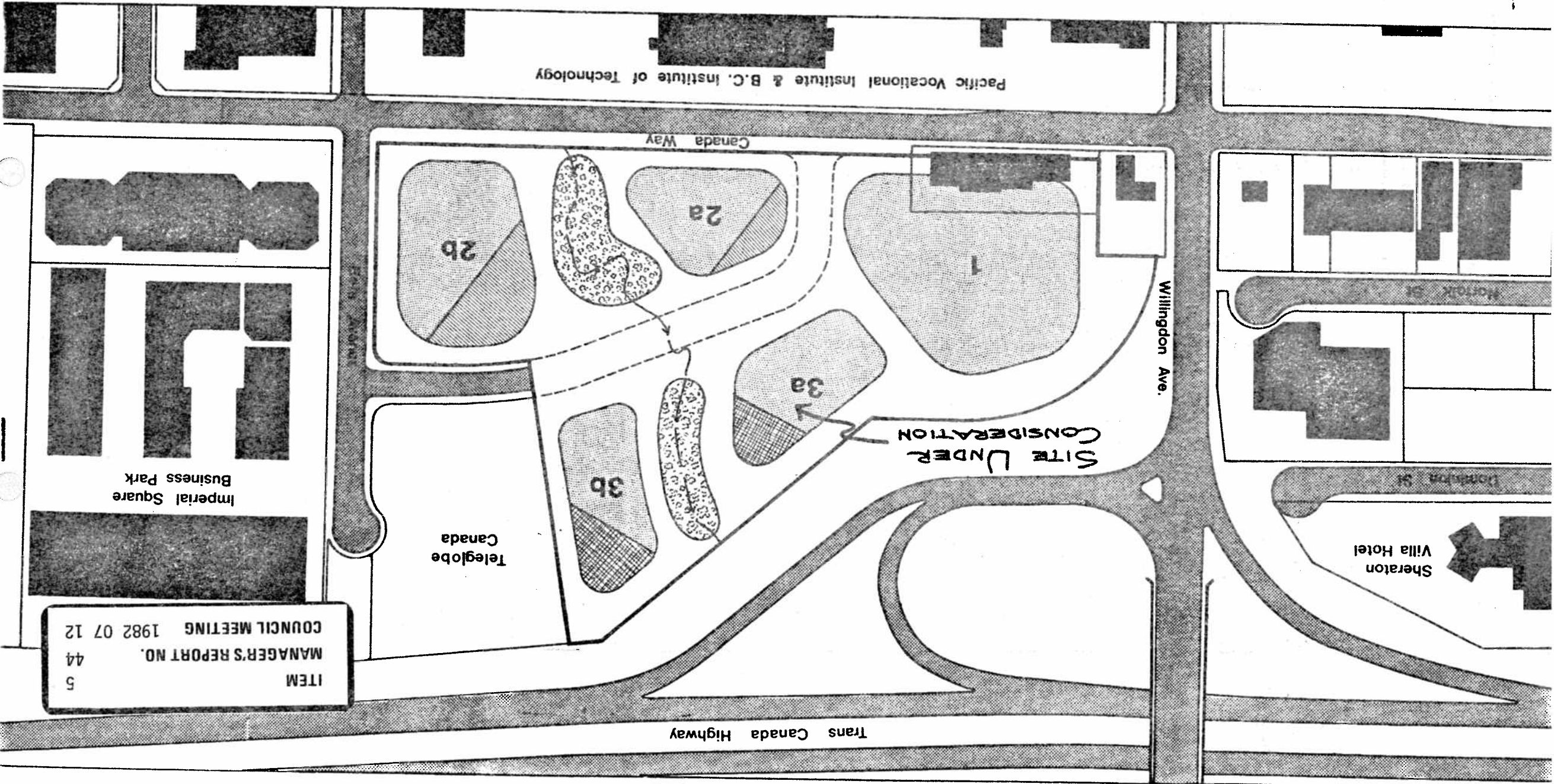
-  General Administrative Office
-  Light Industrial (M5)
-  Certain Commercial Uses

North



Scale: 1" = 200'

Figure C



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Imperial Square
 Business Park

Teleglobe
 Canada

Sheraton
 Villa Hotel

SITE UNDER
 CONSIDERATION

Trans Canada Highway

Willingdon Ave.

Canada Way



**THE CORPORATION
OF THE DISTRICT OF
BURNABY**

4949 Canada Way, Burnaby, B.C. V5G 1M2

Engineering Department

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Telephone (604) 294-7460
Date 82 06 29

Preliminary Estimate of Cost of Services required for Subdivision of Land.

Planning Reference No. 24/81
Design No. 810054
Legal Description D.L. 70 and 73
Street Beta Avenue

Preliminary Cost Estimates

Roads.....	\$ 441,650
Sanitary Sewer.....	\$ 132,200
Storm Sewer.....	\$ 270,500
Waterworks.....	\$ 48,400
Piles.....	\$ 141,000
Channel Lining.....	\$ 82,500
Ornamental Lights.....	\$ 50,600
Underground Wiring.....	\$ 15,650
	<u>\$1,182,500</u>

Payment Required

Waterworks.....	\$ 4,225
Street Light Connection Fee.....	\$ 10
	<u>\$ 4,235</u>

The Corporation of the District of Burnaby does not install services in Subdivisions. The above cost estimates are approximate only and are provided as a guide to the Subdivider so that he may have an approximation of the costs of servicing that he will have to pay to service his property prior to subdividing.

No detailed engineering has been carried out in connection with the preparation of these cost estimates and if the Subdivider intends to proceed with the Subdivision of the property, it will become his responsibility to engage a Consulting Engineer for the preparation of detailed engineering drawings according to the Corporation "Engineering Requirements for Design of Services and Streets in Subdivisions".

In this connection, the Consulting Engineer should make personal contact with the Corporation Design Engineer in the Engineering Department before the preparation of engineering drawings.

All work to be carried out in servicing subdivisions must be in accordance with "Construction Specifications" of the Corporation which may be obtained from the Clerk in the Engineering Department, at a cost of \$10.00. The Corporation charges subdivider a 4% fee to cover the cost of inspecting servicing work in subdivisions. This 4% fee is based on contracted value of the work to be done and must be paid before construction proceeds in the subdivision.

Preliminary sketches of layout for services and easements are tentative only and are subject to revision at the time when final detailed engineering plans are prepared.

REMARKS:


DIRECTOR-ENGINEERING

PRELIMINARY SERVICING REQUIREMENTS

SUBDIVISION REFERENCE NO. 24/81 - D.L. 70 & 73, DESIGN NO. 810054

OVERALL SITE MINUS TELEGLOBE SITE

82 06 29

1. Water:

The developer will construct a water main on Road "A" from Canada Way east to the west property line of the Teleglobe site (approximately 235 m) as required by the Design Engineer. This work will be complete with fire hydrants and all other necessary appurtenances.

Please Note:

The Municipality will extend the existing fire hydrant connection and tie-in the proposed water main for a charge to the developer of \$4,225. The developer will supply all valves and fittings for the tie-in.

2. Sanitary Sewers:

The developer will construct a sanitary sewer main on Road "A" from Canada Way north approximately 80 m. Also construct a main within an easement from Road "A" east along the south property line to Beta Avenue then north along the east property line to the existing main. Construct a sewer main on piles within the highway right-of-way along the north property line from the existing sewer on Beta Avenue right-of-way west approximately 135 m as required by the Design Engineer. These works will be complete with connections, manholes, and all other necessary appurtenances.

3. Storm Sewer:

The developer will construct a storm sewer main on Canada Way from the existing main east to Road "A" then north on Road "A" to discharge into the creek. Approximately 120 m of the sewer main will be constructed on piles as required by the Design Engineer.

The developer will also construct a culvert under Road "A" and extend the existing culvert under Canada Way as required by the Design Engineer. These works will be complete with catch basins, manhole connections and all other necessary appurtenances.

4. Channel Lining:

The developer will construct channel lining on the creek bed from north of Road "A" to the north property line.

5. Road:

The developer will construct Road "A" to a standard 14 m of pavement with curb and gutter both sides from Canada Way east to the west property line of the Teleglobe site (approximately 235 m long) as required by the Design Engineer. This will be complete with abutting walk north side, boulevard grassing, tree planting, and all other necessary appurtenances.

The developer will also upgrade Canada Way from Willingdon Avenue east approximately 625 m as required by the Design Engineer. This will be complete with abutting sidewalks both sides, curb and gutter, boulevard grassing, tree planting, and all other necessary appurtenances.

6. Ornamental Lights: The developer will construct ornamental lighting on Road "A" and on Canada Way as required by the Design Engineer.
7. Underground Wiring: The developer will construct underground wiring on Road "A" as required by the Design Engineer
8. Easements: A 4.5 m easement is required along the south property line from Road "A" east to the east property line then north along the east property line to the existing sanitary sewer main. An easement is required for the channel lining, size and location to be determined at design.
9. "As Constructed" Drawings: Required for all work completed under an approved engineering design.

KGW/ch

c.c. () Estimator
() Assistant Director Engineering, Design

Proposed Canada Way Road Improvements

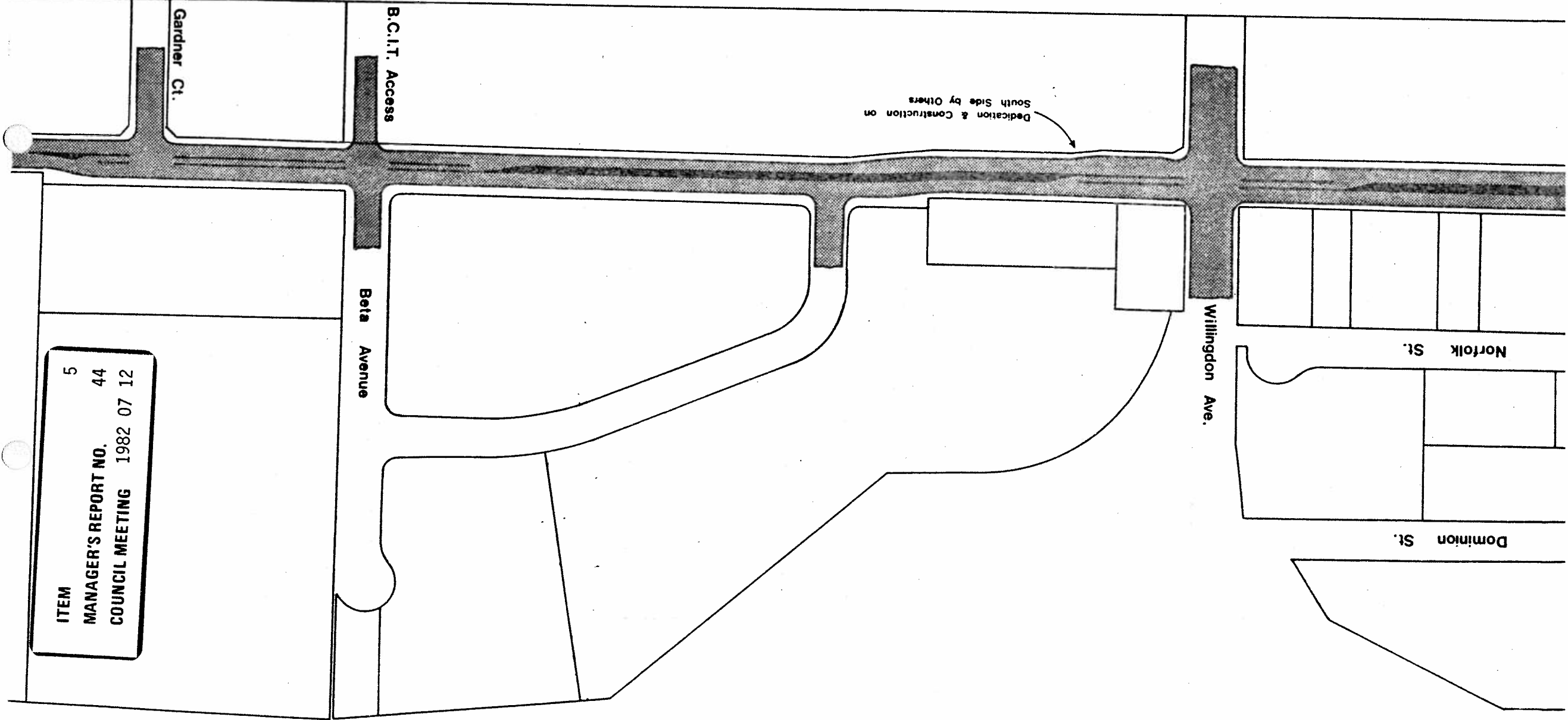


Figure D

Scale: 1" = 200'

1980 December

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