

ITEM 1  
MANAGER'S REPORT NO. 66  
COUNCIL MEETING 1982 11 29

RE: LEASE OF 6110 PRICE STREET  
PORTION OF PARCEL "C", EXPL. PL. 12891 OF LOTS 4-5, D.L. 79, PLAN 536  
(ITEM 11, REPORT NO. 13, 1982 MARCH 01)

MUNICIPAL MANAGER'S RECOMMENDATION:

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

\* \* \* \* \*

1982 November 09

TO: MUNICIPAL MANAGER  
FROM: SOLICITOR  
RE: LEASE OF 6110 PRICE STREET  
PORTION OF PARCEL "C", EXPL PL 12891 OF LOTS 4-5,  
D.L. 79, PLAN 536  
(ITEM 11, REPORT NO. 13, MARCH 1, 1982)

RECOMMENDATIONS:

1. THAT the lease rate for the property at 6110 Price Street be reduced from \$1,500 per month (\$18,000 per annum) to \$1,200 per month (\$14,400 per annum), it being understood that the lessee will pay, in addition to the monthly lease rate, all applicable taxes and costs for maintenance and repairs; &
2. THAT the term for the reduced monthly lease rate be one year commencing 1982 December 01;
3. THAT the lease rate hereafter be reviewed on an annual basis.

REPORT

Background

Council at its meeting of 1982 March 01, (Item 11, Managers Report 13) approved the Municipal Solicitor's recommendation that the subject property be leased for single family occupancy commencing 1982 April 01 for an initial period of five (5) years at a monthly rent of \$1,500 (\$18,000 per annum) plus municipal taxes (from April to December 1982 the taxes were \$3,800); that all maintenance and repairs during the lease period to be undertaken by the lessee.

In accordance with Council's authorization, a lease was prepared between The Corporation of the District of Burnaby and Mr. Jack D. Julseth who now resides at 6110 Price Street.

Existing Situation

We have received a letter from Mr. Jack C. Julseth (copy attached) explaining that as proprietor of Brentwood Motor Imports he is a victim of the current economic conditions.

Rental Market

Due to the current economic conditions the rental market has softened considerably and in our opinion we would experience the same difficulty in finding a good tenant willing and capable of maintaining the present lease rate and conditions.

Taking into consideration the amount of money Mr. Julseth has put into improvements and also that to date, he has fulfilled his obligations under the lease, we are of the opinion that we should approve his request and reduce the rent to \$1,200 per month which still represents a healthy lease rate considering the lessee is obligated to pay taxes and maintenance.

The lease can then be amended to include a clause which would require a review of the lease rate annually. This would give the Municipality the opportunity to increase the lease rate in future years and to recover any lease reduction granted at this time.

In order to assist us in our evaluation of this matter, we obtained two independent appraisals. These are summarized as follows:

| Appraiser            | Monthly rental | Min. & Max. Range | Payment of Taxes Burnaby Lessee | Interior Maintenance Burnaby Lessee | Exterior Maintenance Burnaby Lessee | Grounds Burnaby Lessee |
|----------------------|----------------|-------------------|---------------------------------|-------------------------------------|-------------------------------------|------------------------|
| Mr. Robert Craig     | \$1,300        | -                 | X                               | X                                   | X                                   | X                      |
| Mr. R.E. Collingwood | \$1,200        | \$1,200 - \$1,400 | X                               | X                                   | X                                   | X                      |
| Proposed Lease       | \$1,200        | -                 | X                               | X                                   | X                                   | X                      |

In addition, Mr. Collingwood advised that "there is a downward trend of 10% to 20% for house rental accommodation throughout the lower mainland".

The appraisals and our knowledge involving the work that the lessee has done on the house since he took occupancy indicates that the proposal to now charge a \$1,200 a month rental is reasonable.




W.L. Stirling,  
MUNICIPAL SOLICITOR

FAE/hpt

cc: Director Recreation & Cultural Services  
Director Planning & Building Inspection  
Treasurer

November 8, 1982

ITEM

1

MANAGER'S REPORT NO. 66

COUNCIL MEETING 1982 11 29

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

To whom it may concern:

It is with much regret that I find myself in the position of having to ask this council to consider a reduction of rental payments on 6110 Price Street. This request is not being made without my having first attempted to sublet this home. Financial times, being what they are, have created a situation in which I find myself in the unfortunate position of feeling "housepoor". At present, I am paying \$1500.00 per month plus taxes, which in 1982, were \$3800.00. These payments, along with approximately \$500.00 per month in yard maintenance, as well as heat expense, make a monthly total outflow of \$2200.00 before general maintenance, for which I am also responsible.

Since March, 1982, I have spent in excess of \$12,000.00 upgrading the yard and house, excluding regular maintenance. This expenditure has certainly not gone wasted, and I truly believe that the property is in a much better state of repair than it has been in many years.

Over the past two months, I have attempted to sublet the property, but, to date, have been unsuccessful in finding a suitable party prepared to take over my situation.

Please understand that my intentions are not to get "cheap" rent, or to renege on a contract made 8 months ago, but unfortunately, I may have been overzealous in my estimates of what this home would cost to run, and of my personal cash flow this year. However, my wife and I would like to remain here. If the council could consider accepting \$1200.00 per month net for this property, I feel I could comfortably keep repairing and upgrading this home to the stature it so truly deserves. I sincerely hope that a satisfactory arrangement can be made, for we would truly like to stay on as tenants.

Thanking you in advance for any solution possible; your immediate consideration of this matter would be greatly appreciated.

Sincerely,

Jack C. Julseth

