

ITEM 18
MANAGER'S REPORT NO. 37
COUNCIL MEETING 85/05/27

RE: BURNABY PUBLIC LIBRARY RENEWAL OF LEASE
4455 ALASKA STREET, BURNABY, B.C.
LOT 'A', DL 119, PLAN 40447

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

1. *THAT the recommendation of the Acting Chief Librarian be adopted.*

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TO: MUNICIPAL MANAGER
FROM: ACTING CHIEF LIBRARIAN
RE: BURNABY PUBLIC LIBRARY RENEWAL OF LEASE
4455 Alaska Street, Burnaby, BC
Lot "A", DL 119, Plan 40447

1985 May 21

RECOMMENDATION:

1. THAT the said lease be renewed for a further term of three (3) years at a rental of \$42,250 per annum payable in equal monthly installments of \$3,520 in advance on the first day of each month of the term commencing on the first day of 1985 June;
2. THAT all other terms and conditions be as the existing lease except
 - the premises shall be deemed to be warehouse/office space
 - an inclusion that should the Library Board sublet, any profit realised shall revert to the Lessor; and
3. THAT the lease include a further renewal clause for a period of three (3) years with a clause stating that the new lease rate shall not exceed an increase greater than \$1.00 over the then rental rate of \$3.25 per square foot.

REPORT:

At its meeting 1984 October 22 Council approved a report from the Chief Librarian instructing the Municipal Solicitor to develop a contract for the renewal of the lease of 4455 Alaska Street at the most favourable terms.

The Solicitor's office has renegotiated the renewal of the lease for a further period of three (3) years at a rate of \$3.25 per square foot per annum equivalent to \$3,520 per month. The said renewal also contains a renewal option for a further period of three (3) years.

ITEM	18
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- 2 -

The following is a comparison of current and proposed rates:

	<u>Current</u>	<u>Proposed</u>
Annual rental	\$51,996	\$42,250
Rental per sq ft	\$4.00	\$3.25

The negotiated rate constitutes a saving of \$9,750 per annum or \$29,250 over the three year lease term.

The major difference in the new lease will be an amendment to clause 21. The current lease under this section deems the premises to be leased as "warehouse space". This will be amended to read "warehouse/office space". Generally, warehouse facilities contain 20 - 30% office space. The subject contains 50% office space. Since the Library Board is expecting to move in the next three to five years they should not be adversely affected by this change. At the end of the next three year term the new lease will be negotiated based on prevailing market rents but not to exceed an increase greater than \$4.25 per sq. ft. The savings over the next three years (\$29,250) as negotiated in the new lease should mitigate any increases which may follow in the short term.

It is the intention of the Library Board to relocate the departments located in the Alaska Street building to the proposed Metrotown Library and part of the existing Kingsway Branch building. It is not anticipated that this relocation will occur within the next three years. However, it is expected that the relocation will occur in the second half of 1988 or 1989. Should it be necessary to renegotiate the lease in 1988 for less than three years the \$1.00 per square foot ceiling on a possible increase will apply to the shorter term. With the projected timing of the relocation the Library Board will not be in a position of having to sublet.

At its meeting of 1985 May 16 the Library Board authorized the Board Chairman to act on its behalf with regard to the renewal of the Alaska Street lease. The Board Chairman has reviewed and approved the terms negotiated by the Municipal Solicitor as outlined in this report.

Council is requested to approve the Library Board Chairman's decision in this matter.

Paul Whitney

Paul Whitney
Acting Chief Librarian

ct

cc: Municipal Solicitor