

REPORT  
Regular Council Meeting  
1992 JANUARY 20

THE CORPORATION OF THE DISTRICT OF BURNABY  
CIVIC DEVELOPMENT COMMITTEE

HIS WORSHIP, THE MAYOR  
AND ALDERMEN:

RE: LEASE RATE FOR THE BURNABY SCHOOL DISTRICT AT THE  
BURNABY HEIGHTS COMMUNITY RESOURCE FACILITY

PURPOSE: To propose an alternative approach to establish market level  
lease rates for the Burnaby School District at the Burnaby  
Heights Community Resource Facility.

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RECOMMENDATION:

1. THAT Council approve the approach proposed in Section 3.0 of  
this report to establish market level lease rates for the  
Burnaby School District at the Burnaby Heights facility.

R E P O R T

1.0 INTRODUCTION

For 1992, Council on the recommendation of the Housing & Civic  
Development Committee approved a three year phased approach to  
establish market lease rates for Burnaby Heights tenants with  
financial assistance available to tenants to offset lease rates  
through the Council grants process.

Subsequent to the implementation of the new approach, staff were  
contacted by a representative of the Burnaby School District who  
expressed a concern regarding the new lease rate and grants process as  
it relates to space leased by the School District at the Burnaby  
Heights facility.

In response to the concern raised and a subsequent review by staff,  
this report proposes an alternative approach to establish market level  
lease rates for the Burnaby School District at Burnaby Heights.

2.0 BURNABY SCHOOL DISTRICT POSITION

Currently, the School District leases four classrooms at the Burnaby  
Heights facility totaling 3,168 square feet. The classrooms are used  
for adult English as a Second Language (ESL) courses.

The lease rates for the School District for 1991 and 1992, as approved  
by Council, are as follows:

1991 - \$4.20/ sq.ft./annum = \$13,300 (approx.) per year

1992 - \$5.73/ sq.ft./annum = \$18,150 (approx.) per year

The resulting increase in 1992 over 1991 lease rates totals  
approximately \$4,850 (36%).

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Director Finance  
Director Recreation & Cultural Services  
Director Administrative & Community Services  
Director Planning & Building  
Municipal Solicitor

The Burnaby School District representative indicated that it may be inappropriate for the School District to apply for and/or receive a Municipal grant to cover some of the increase in lease costs given its status as a statutory agency in Burnaby. At the same time, the District is expecting difficulty in budgeting for the full 1992 lease rate increase.

### 3.0 PROPOSED ALTERNATIVE APPROACH

Staff concur that the Municipal grants process is not the appropriate avenue for the School District to receive support to offset lease rates, and recognize that the full phased increase could present some difficulty for the School District in their budgeting process.

As an alternative, it is proposed that an 1992 lease rate increase of 8.0% be applied to space leased by the School District at Burnaby Heights. School District staff have indicated that an 8.0% increase could be accommodated. This would result in an 1992 annual lease rate of approximately \$14,360 (\$4.54/ sq.ft./ annum). This represents an annual increase of \$1,060 over the 1991 lease rate. A similar increase would be applied in subsequent years until a market level lease rate has been established.

Further, staff support the proposed alternative approach to Burnaby Heights lease rates for the School District in view of two additional points. First, the use of the above-noted leased space at Burnaby Heights for ESL classes appropriately reflects the intended purpose of the facility, and contributes to the overall community use of the facility.

Second, flexibility in the accommodation of the School District in this matter would consider a long standing practice between the Parks Commission and the School District of allowing the reciprocal interim use of Parks and School District facilities at no cost, except where additional janitorial costs are incurred. The School District has also extended this practice to include other Municipal Departments that require school space to conduct public meetings or other Municipal activities. This arrangement has allowed greater use of both Parks and School District facilities, and has provided the Municipality with a net benefit.

### 4.0 NEXT STEPS

Subject to Council's approval of the proposed lease rate, staff will contact the School District to finalize their 1992 lease agreement for classroom space at the Burnaby Heights facility.

Respectfully submitted,

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Alderman D.R. Corrigan  
Chairperson

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Alderman D.G. Evans  
Member

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Alderman E. Nikolai  
Member