

ITEM	2
MANAGER'S REPORT NO.	25
COUNCIL MEETING	93/04/19

Valuation

Acting on the instructions of the Lessee, the two City lots were appraised by Cunningham Rivard Appraisals (Vancouver) Ltd. In the opinion of the appraiser, Mr. Horst Eschner, the value of the two 4,026 sq. ft. City lots currently used as a parking lot would have a market value of \$362,000 (\$44.96 per sq. ft.) as of March 16, 1993.

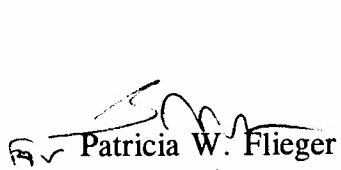
Negotiations

We have negotiated the renewal of the said lease for a further period of five years commencing March 1, 1993, annual rent \$20,000 paid in advance, representing a 5.52% return on the appraised value which compares favourably with the City of Burnaby's investment portfolio.

In addition to the annual rent there will be a reversionary value to the constructed parking lot.

Conclusion

This is a net lease requiring no provision for the recapture of a depreciating asset. We would, therefore, recommend acceptance.


 Patricia W. Flieger
 City Solicitor

FAE:bi

- cc: Director Administrative & Community Services
- Director Finance
- Director Planning & Building