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| ITEM | 7 |
| MANAGER'S REPORT NO. | 27 |
| COUNCIL MEETING | 94/04/25 |

TO: CITY MANAGER DATE: APRIL 19, 1994

FROM: CITY SOLICITOR

RE: PROPOSED LEASE OF 9048 STORMONT AVENUE
TO THE PACIFIC ASSISTANCE DOGS SOCIETY
LOT 9, DISTRICT LOT 14, GROUP 1, N.W.D., PLAN 12158

- PURPOSE: (a) To obtain Council's authority to enter into a lease agreement with the Pacific Assistance Dogs Society on the terms as set out in this report.
- (b) To obtain Council's authority to prepare a lease authorization bylaw.

Recommendation:

1. THAT the subject property be leased to the Pacific Assistance Dogs Society for three, three year periods for a total term of nine years on the terms and conditions set out in this report.
2. THAT Council authorize the City Solicitor to prepare a lease authorization bylaw.

REPORT

BACKGROUND:

Council, at its meeting of December 13, 1993, received a report from the Director Planning & Building (Item 14, Manager's Report No. 73). Council adopted the recommendation therein, agreeing, in principle, with the proposal to lease the subject property to the Society on a year to year basis, subject to the Society working out the details of the proposed use relative to the requirements of the Burnaby Kennel Regulation Bylaw, together with the identification of any necessary improvements to the existing dwelling.

The property was vacated by the Ministry of Transportation and Highways on December 31, 1993. The building was left in good condition for office use. Physical Plant Maintenance has estimated the cost of rehabilitating the building for residential use at \$18,600. Approximately \$3,000 will be spent by the City on minor safety repairs.

1994 ASSESSED VALUE:

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|--------------|---------------------|
| Land | \$234,000.00 |
| Improvements | <u>42,800.00</u> |
| | <u>\$276,800.00</u> |

1994 TAXES ESTIMATED:

\$2,067.75 per annum
 \$172.31 per month

TENDER CALL:

A notice was posted at the City Hall and the Justice Building from March 24, 1994 to April 8, 1994 inviting tenders for the lease of the subject property. One bid was received from the Pacific Assistance Dogs Society offering to lease the property on the following terms:

| | |
|------------------------|-----------------------------------------------|
| Gross Rent | \$700.00 per month, \$8,400.00 per annum |
| Less Taxes (estimated) | \$172.31 per month, \$2,067.75 base year 1994 |
| Effective Rent | \$527.69 per month, \$6,332.25 per annum |

In addition to the above rent, the Society proposes to rehabilitate the existing building at an estimated cost of \$15,600.

The cost of setting up the dog training facility has been estimated at around \$34,000. Voluntary labour will be utilized to reduce all costs where possible.

PROPOSED LEASE TERM:

Due to the costs associated with this type of facility, the Society has requested a lease term of three, three year periods, for a total lease term of nine years. The rent would be re-negotiated after three years and again at the end of the sixth year.

At the request of the Ministry of Transportation and Highways, who wish to keep their options open with respect to changing the Stormont intersection, the said lease will contain a clause allowing either party to serve six months' notice to vacate.

CURRENT ZONING:

Small Holdings District (A2). This zoning permits kennels for up to five dogs and the associated residential use.

DISCUSSION:

As Council directed, staff have worked closely with the Society to ensure that the requirements of both the Burnaby Zoning Bylaw and the Burnaby Kennel Regulation Bylaw have been met.

In addition to the rent of \$527.59 per month (plus taxes), the Society will be paying for the rehabilitation of the residence. It is therefore our opinion that the first three year rental is reasonable and we would recommend that the tender received from the Pacific Assistance Dogs Society be accepted. The Director Finance concurs with the recommendation contained in this report.



Patricia W. Flieger
City Solicitor

FAE:sb

c.c. Director Administrative & Community Services
Director Planning & Building
Director Finance
Director Engineering

