

**REPORT**  
**1997 DECEMBER 15**

**CITY OF BURNABY**  
**EXECUTIVE COMMITTEE OF COUNCIL**

HIS WORSHIP, THE MAYOR  
AND COUNCILLORS

**RE:    NEGOTIATED COMMUNITY AMENITY SPACE IN**  
**METROTOWN MIXED-USE DEVELOPMENT**

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**RECOMMENDATION:**

1. THAT Council endorse the developer's choice of Burnaby Multicultural Society to occupy the negotiated non-profit office space in the Newmark development.
2. THAT a copy of this report be sent to the Burnaby Multicultural Society at 250 Willingdon Avenue, Burnaby, B.C. V5C 5E9.

**REPORT**

The Executive Committee of Council, at its meeting held on 1997 December 10, adopted the attached report outlining the agreement for the negotiated amenity space at the Newmark development and the status of the discussion/arrangements for occupancy of the space. The report noted that the Burnaby Multicultural Society is hoping to enter into a lease for the space. The report also noted that the Burnaby Multicultural Society is somewhat uncertain about its ability to afford the space in the long term. If the B.M.S. Board decides against signing the lease for financial or other reasons, staff noted that they will work with the developer in an attempt to identify an alternative non-profit organization to occupy the space.

Respectfully submitted,

Councillor D.R. Corrigan,  
CHAIR

Councillor D.G. Evans,  
Member

: COPY - CITY MANAGER - DIRECTOR FINANCE - DIR. PLNG. & BLDG.
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Councillor D.N. Johnston,  
Member

TO: EXECUTIVE COMMITTEE

1997 DECEMBER 08

FROM: DIRECTOR PLANNING AND BUILDING

**SUBJECT: NEGOTIATED COMMUNITY AMENITY SPACE  
IN METROTOWN MIXED-USE DEVELOPMENT**

PURPOSE: To inform the Committee of the potential occupancy by the Burnaby Multicultural Society of the negotiated non-profit office space in the Newmark development at Kingsway and Nelson Avenue.

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**RECOMMENDATION:**

1. **THAT** the Committee endorse the developer's choice of Burnaby Multicultural Society to occupy the negotiated non-profit office space in the Newmark development.
2. **THAT** a copy of this report be sent to the Burnaby Multicultural Society at 250 Willingdon Avenue, Burnaby, B.C. V5C 5E9

**REPORT**

**1.0 BACKGROUND**

Consistent with the City's practice in the rezoning of large developments, the City has negotiated a community amenity space in the Newmark, a mixed use commercial/high rise residential development located at 4885 Kingsway (at Nelson Avenue). The Newmark is currently under construction and is scheduled for completion in May 1998. The current rezoning, Rezoning (RZ) #53/95, replaced RZ #72/89 for a similar type of development which did not proceed.

The purpose of this report is to inform the Committee of the potential occupancy of the negotiated community amenity space by the Burnaby Multicultural Society.

**2.0 THE NEWMARK AGREEMENT**

In 1990, the City registered a covenant under the previous (1989) rezoning requiring the developer to provide a 1,600 square foot office space for a non-profit organization in the

development. The covenant, which was amended in 1996, specified the following:

- ▶ the developer will provide a finished space, including lighting, heating, electrical, ventilation, two washrooms, and three parking spaces;
- ▶ the office space will belong to the Strata Corporation and will be leased to a non-profit organization on a rent-free basis. The non-profit organization will be required to pay the portion of property taxes and common expenses of the Strata Corporation attributable to the office space. Those common expenses could include, at the discretion of the developer/Strata Council, costs for utilities, janitorial and cleaning, repairs to the space, landscape and fire equipment maintenance, insurance and appraisal, and strata and management fees;
- ▶ the initial tenant non-profit organization will be selected by the developer, with subsequent tenants being selected by the Strata Council. In all cases, the selected tenant organization will require the approval of the City before being allocated the space.

### **3.0 OCCUPANCY OF THE NEWMARK AMENITY SPACE**

Although the City has a formal process pertaining to occupancy of space at its Community Resource Facilities (i.e., Burnaby Heights, Edmonds Neighbourhood), it does not, at present, have a complementary formal policy or standardized process pertaining to occupancy of negotiated amenity spaces. The method by which groups are chosen to occupy negotiated amenity spaces, the issue of tenure (e.g., owned by Strata Corporation or City), and assurances that the spaces are affordable to tenants are policy questions that staff believe require further clarification. These and related issues will be the subject of a policy report to be prepared by staff in the new year.

Given the imminent completion of the Newmark, however, a decision on occupancy must be made prior to the development of this proposed policy. The specific issue to address in the Newmark situation is City endorsement of the developer's choice of tenant group.

Staff understand that the previous property owner and proponent for RZ#72/89 approached the Burnaby Multicultural Society (BMS) several years ago to occupy the amenity space in the Newmark. BMS was interested, subject to its ability to afford the space once accurate financial estimates were available. The current developer and proponent for RZ#53/95 has honoured that agreement with BMS, which is actively considering entering into the lease. BMS representatives have advised staff that the Society is keen to occupy the space as the location is highly visible and could help enhance BMS programming.

Given the Society's status as a non-profit organization, the seven year old agreement

between the original developer and BMS, and the imminent May 1998 occupancy date, staff believe it would be appropriate for the City to endorse the allocation of space to BMS.

The suitability of the proposed tenant group aside, BMS representatives have advised staff that the Society is somewhat uncertain about its ability to afford the space in the longer term. In the Newmark agreement, which is one of the City's early negotiated space agreements, more categories of common expenses were included in the non-profit organization's share than have been included in subsequent agreements. Further, as the space does not qualify for a permissive property tax exemption under Section 341 of the Municipal Act, the non-profit tenant will be responsible for its share of the development's property tax payments.

BMS advises that it must make a decision on the space by mid-December 1997 in order to either facilitate its move to the new space by May 1998 or provide the developer with time to approach an alternative non-profit organization. The BMS Board will consider the lease arrangements for the space at its meeting of 1997 December 11, determining whether or not to proceed with the arrangements at that time. If BMS does elect to occupy the space, and affordability becomes a problem in the future, it will need to pursue additional funds to cover its costs, or seek to terminate its lease. Staff have made it clear to BMS representatives that the City is under no obligation to assist financially to address affordability problems.


#### **4.0 CONCLUSION**

This report outlines the agreement for the negotiated amenity space at the Newmark and the status of discussions/arrangements for the occupancy of the space. The report notes that the Burnaby Multicultural Society is hoping to enter into a lease for the space. It also notes that the Society is somewhat uncertain about its ability to afford the space in the long term. If the BMS board decides against signing the lease for financial or other reasons, staff will work with the developer in an attempt to identify an alternative non-profit organization to occupy the space. Such an organization would need to have sufficient resources to afford the space under the agreement and the ability to change location on short notice.

This report also notes that staff will be working on the development of a proposed policy regarding negotiated amenity spaces in 1998. This policy, when completed, will help improve the consistency and effectiveness of future negotiated agreements.

It is recommended that:

1. the Committee endorse the developer's choice of Burnaby Multicultural Society to occupy the negotiated non-profit office space in the Newmark development.
2. a copy of this report be sent to the Burnaby Multicultural Society at 250 Willingdon Avenue, Burnaby, B.C. V5C 5E9

  
D.G. Stenson, Director  
PLANNING AND BUILDING

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cc: City Manager  
Director Finance

