

**TO: CITY MANAGER**

**DATE: 2004 SEPTEMBER 7**

**FROM: DIRECTOR OF FINANCE**

**SUBJECT: LEASE OF 4970 CANADA WAY**

**PURPOSE:** To obtain Council authority to lease the subject property.

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**RECOMMENDATION:**

1. **THAT** Council authorize the lease of the property and improvements at 4970 Canada Way to Rising Star Learning Ltd. under the terms and conditions outlined in this report

**REPORT**

**BACKGROUND**

The property at 4970 Canada Way was purchased by the city in 2003 as part of the Deer Lake Business Centre Plan for consolidation and eventual sale as higher density office use. The subject property is currently vacant and has been since the former owners, the YMCA, vacated the property at the time of purchase.

City staff have been offering the property for lease since the purchase in 2003, but lease opportunities have been restricted by the zoning as well as the limited available time frame. This past summer the property was rezoned from P2 Administration and Assembly District to CD Comprehensive Development District (based on P2 Administration and Assembly District, P5 Community Institutional District, B1 Suburban Office District and the Deer Lake Business Centre Plan) to allow a wider range of uses on site. With the exception of the current offer, no other firm offers have been received. Other prospective tenants have declined to present an offer due to the costs of the leasehold improvements required and the relatively short term of the lease.

**PROPOSED TENANT**

The proposed tenant is Rising Star Learning Ltd of 3972 Ruby Avenue, North Vancouver. They intend to use the property as a pre-school and auxiliary office. The tenant may also wish to sublet a portion of the Premises, with the prior consent of the landlord, and include pay parking on a portion of the lot. The tenant is anxious and has been anticipating a tenancy opportunity since prior to rezoning.

PROPOSED LEASE TERMS

Given the long term plans for the property, a five (5) year term has been recommended by the Planning Department with a month-to-month tenancy thereafter. The Applicant will be required to utilize the property in accordance with the current Zoning is required to obtain appropriate approvals and business licences.

Staff propose the minimum lease rate, for five years, beginning November 1, 2004 as follows:

YEAR	PER ANNUM	PER MONTH
1	\$30,000.00	\$2,500.00
2	\$30,600.00	\$2,550.00
3	\$31,200.00	\$2,600.00
4	\$31,800.00	\$2,650.00
5	\$32,400.00	\$2,700.00

All maintenance, building modifications and utilites will be the responsibility of the tenant.

Possession date to be November 1, 2004 with access provided to the lessee immediately for the purpose of leasehold improvements.

The lease rate is subject to GST, City Taxes and City Utility charges. The 2004 City taxes levy for this property was \$33,051.52. The 2004 Utility levy for this property is \$312.49 which will be prorated accordingly. The proposed lease would contain provision for a six month notice for either party to terminate without penalty.

  
for Rick Earle  
DIRECTOR FINANCE

DP:ae

c.c. Director Planning and Building  
Director Engineering  
City Solicitor