

EXECUTIVE COMMITTEE OF COUNCIL

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: 2008 LEASE RATES AND GRANTS – RESOURCE CENTRES

Recommendations:

1. THAT Council approve the proposed 2008 lease rates for Resource Centre tenants as presented in this report.
2. THAT Council authorize distribution of information on the approved 2008 lease rates and the anticipated lease grants to Resource Centre tenants.
3. THAT Resource Centre tenants be requested to make an application for 2008 lease grants, should they meet the grant eligibility criteria established by Council.

REPORT

The Executive Committee of Council, at its 'Open' meeting held on 2007 June 18, received and adopted the attached report outlining proposed lease rates and anticipated lease grants for 2008 for non-profit tenants at Burnaby Heights and Edmonds Resource Centres.

Respectfully submitted,

Councillor P. Calendino
Chair

Councillor N. Volkow
Vice Chair

Councillor L. Rankin
Member

<p>Copied to: City Manager Director Finance Director Parks, Recreation and Cultural Services City Clerk City Solicitor Chief Licence Inspector</p>
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TO: CHAIR AND MEMBERS
EXECUTIVE COMMITTEE OF COUNCIL

DATE: 2007 June 14

FROM: DIRECTOR PLANNING & BUILDING

FILE: 12000 10
Reference: Lease Grants

SUBJECT: 2008 LEASE RATES AND GRANTS - RESOURCE CENTRES

PURPOSE: To present proposed lease rates and anticipated lease grants for 2008 for non-profit tenants at the Burnaby Heights and Edmonds Resource Centres.

RECOMMENDATIONS:

1. **THAT** Council be requested to approve the proposed 2008 lease rates for Resource Centre tenants as presented in this report.
2. **THAT** information on the approved 2008 lease rates and the anticipated lease grants be distributed to Resource Centre tenants for information.
3. **THAT** Resource Centre tenants be requested to make an application for 2008 lease grants, should they meet the grant eligibility criteria established by Council.

REPORT**1.0 INTRODUCTION**

In 1992 April, Council approved guidelines for the establishment of lease rates and the issuance of lease grants to non-profit community groups allocated space at the Burnaby Heights and Edmonds Resource Centres. At its 2007 May 7 closed meeting, Council approved these guidelines for the establishment of lease rates and the issuance of lease grants to non-profit community groups allocated at the Holdom Resource Centre. Based on the guidelines, this report presents proposed lease rates and anticipated lease grant amounts for 2008 for existing tenants of the Resource Centres.

2.0 PROPOSED 2008 LEASE RATES

At the time the Resource Centres were established, Council determined a market value lease rate for the available spaces that was to be adjusted annually for inflation. For 2007, the lease rate was set at \$10.89/square foot per annum for office space and \$6.76/square foot per annum for workshop/utility space at the Resource Centre.

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From: Director Planning & Building
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It is proposed that the lease rate for the coming year be increased by 2.3 percent, consistent with the projected inflation rate for 2008 (see *attached* tables). The change would result in a proposed lease rate of \$11.14/square foot per annum for office space and \$6.92/square foot per annum for workshop/utility space. In accordance with Council policy, the annual lease rate for the Burnaby School District space at the Burnaby Heights Resource Centre would continue to increase by 4.0 percent until it reaches the lease rate established for other tenants. This phased program of lease rate increases for the School District was established to allow the School District to adjust its budget for annual lease cost increases over an extended period of time.

3.0 ANTICIPATED 2008 LEASE GRANTS

Lease Grant Guidelines

The lease grant guidelines approved by Council provide for the issuance of lease grants to non-profit Resource Centre tenants which provide services, programs, or facilities of benefit to Burnaby residents. In general, tenants can qualify for a grant to offset 25 or 50 percent of the lease costs depending on the level of service provided to Burnaby residents.¹

Anticipated 2008 lease grant amounts are outlined in Table 3 *attached*. The lease grant amounts are based on the adopted lease grant guidelines and are consistent with the 2007 lease grants approved by Council. The estimate of anticipated lease grants is provided to assist tenants in making an application for 2008 lease grants and for the City's budget planning purposes. Lease grant amounts are based on current occupancies and expected lease grant eligibility for 2008. Anticipated lease grant amounts and rates have also been included for the Holdom amenity space currently under construction and approved by Council for future resource centre use. Tenancy of the Holdom space is anticipated for late 2007/early 2008.

Summary Table

Funds for the anticipated 2008 lease grants will be included for consideration in the 2008 Provisional Operating Budget Program. For budgeting and comparison purposes, the following table summarizes the total change arising from the proposed 2008 lease rates and anticipated lease grants for tenants of the Burnaby Heights and Edmonds Resource Centres and for prospective future tenants at the Holdom amenity space.

It is anticipated that some of the existing tenants at the Burnaby Heights Resource Centre may apply for space and relocate to the Holdom facility upon its completion. At that

¹ The 25 percent offset is available to agencies for which between 25 and 75 percent of their constituency consists of Burnaby residents. The 50 percent offset is available to agencies for which over 75 percent of their constituency base consists of Burnaby residents.

time a further report will be forwarded to the Committee and Council on the planned phased closure on the Heights Resource Centre to make way for the future recreation facility development. As such, the relocation of these tenants would impact the total lease revenue and grants summarized in the table below. Staff, therefore, proposes to provide a more accurate summary of the total change of lease revenue and grants for 2007-2008, following the allocation of space at the Resource Centres.

SUMMARY OF TOTAL CHANGE OF LEASE REVENUE AND GRANTS (2007-2008)

Burnaby Heights and Edmonds Neighbourhood Resource Centres	Approved 2007	Proposed 2008	Proposed \$ Increase 2007-2008	Proposed % Increase 2007-2008*
Lease Rates (before grants)	\$511,462.99	\$524,768.74	\$ 13,305.75	2.60%
Lease Grants	\$187,373.78	\$191,683.38	\$ 4,309.60	2.30%
Lease Revenues (after grants)	\$324,089.21	\$333,085.36	\$ 8,996.15	2.78%
Holdom Amenity Space				
Lease Rates (before grants)	n/a	\$ 53,616.82	n/a	n/a
Anticipated Lease Grants	n/a	\$ 26,808.41	n/a	n/a
Anticipated Lease Revenues (after grants)	n/a	\$ 26,808.41	n/a	n/a

* The percentage increases in proposed lease rates (before grants) and lease revenues (after grants) reflect increases for all the leased space and include space leased to tenants that do not qualify for lease grants (e.g. Burnaby School District, Fraser Health Authority).

4.0 RECOMMENDATIONS AND NEXT STEPS


It is recommended that the proposed 2008 lease rates for Resource Centre tenants be approved, as presented in this report. Once Council approval is received, it is also recommended that tenants be advised of the 2008 lease rates and anticipated lease grant amounts. Depending on their eligibility for lease grant support, tenants would be requested to apply for 2008 lease grants. As part of the lease grant application process, tenants would be asked to provide information on their 2007 service activities, including the following:

- Proof of non-profit status;
- Statement of program/service activities conducted in Burnaby;
- Estimate of hours per month that allocated space was used for community service/agency purposes; and
- Percentage of recipients of the agency's programs and services that were Burnaby residents.

Once the lease grants applications have been received, staff will prepare a further report for the Committee on the requested lease grant amounts. The report will also include a summary of the total change to lease revenue and grants (2007-2008) of the Resource Centres, which reflects the relocation of some of the Burnaby Heights tenants to the Holdom Resource Centre.

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At the time that recommendations are advanced for tenants to occupy the Holdom Resource Centre, staff will also recommend a timeline for the planned phased closure of the Resource Centre. The Request for Proposal for space at the Holdom Resource Centre will be issued in the coming weeks with recommendations to Council in 2007 September.


B. Luksun, Director
PLANNING & BUILDING

ZM/sla/sa
Attachments (4)

Copied to: City Manager
Director Finance
Director Parks, Recreation and Cultural Services
City Clerk
City Solicitor
Chief Licence Inspector

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TABLE 1. PROPOSED 2008 LEASE RATES

RESOURCE CENTRES	2007	2007	2008	2008
	Leased Area (sq. ft.)	Lease Rate (\$/sq. ft.)	Proposed Lease Rate	Proposed Rate Increase
Burnaby Heights Resource Centre				
759 Royal Air Cadets "Falcon Squadron"	1,004	\$10.89	\$11.14	2.3%
Air Cadets - Storage	172	\$6.76	\$6.92	2.3%
Alzheimer Society of BC	328	\$10.89	\$11.14	2.3%
BC Centre for Ability Association	1,568	\$6.76	\$6.92	2.3%
BC Settlement & Integration Workers Association	736	\$10.89	\$11.14	2.3%
Boxing BC	163	\$10.89	\$11.14	2.3%
Boy Scouts of Canada	1,056	\$10.89	\$11.14	2.3%
Burnaby Family Life Institute	3,007	\$10.89	\$11.14	2.3%
Burnaby Community Connections	2,243	\$10.89	\$11.14	2.3%
Burnaby School District	9,410	\$9.64	\$10.03	4.0%
Burnaby Seniors Outreach Services Society	1,152	\$10.89	\$11.14	2.3%
Burnaby Association for Community Inclusion	4,416	\$10.89	\$11.14	2.3%
Caireen Child & Family Services	437	\$10.89	\$11.14	2.3%
Fraser Health Authority	772	\$10.89	\$11.14	2.3%
Fraser Valley Square & Round Dance Society	312	\$6.76	\$6.92	2.3%
Marguerite Dixon Transition Society	1,233	\$10.89	\$11.14	2.3%
North Burnaby Boxing Club	624	\$6.76	\$6.92	2.3%
Oromiyraan Canadian Society of BC	332	\$10.89	\$11.14	2.3%
Volunteer Burnaby	1,536	\$10.89	\$11.14	2.3%
Volunteer Burnaby - Stock Room	110	\$6.76	\$6.92	2.3%
YMCA of Greater Vancouver	1,056	\$10.89	\$11.14	2.3%
TOTAL (Burnaby Heights)	31,667			
Edmonds Neighbourhood Resource Centre				
Burnaby Family Life Institute	3,000	\$10.89	\$11.14	2.3%
Burnaby Firefighters Charitable Society	864	\$10.89	\$11.14	2.3%
Burnaby School District	1,499	\$10.89	\$11.14	2.3%
Canadian Mental Health Association	1,506	\$10.89	\$11.14	2.3%
Canadian Red Cross Society - Burnaby Branch	1,500	\$10.89	\$11.14	2.3%
Deaf Children's Society of BC	2,290	\$10.89	\$11.14	2.3%
Immigrant Services Society of BC	1,167	\$10.89	\$11.14	2.3%
St. Matthew's Day Care Society	5,610	\$10.89	\$11.14	2.3%
TOTAL (Edmonds)	17,436			
Holdom Amenity Space*		N/A		N/A
Tenant Space #1	700		\$11.14	
Tenant Space #2	1,421		\$11.14	
Tenant Space #3	1,090		\$11.14	
Tenant Space #4	1,218		\$11.14	
Tenant Space #5	384		\$11.14	
TOTAL (Holdom)	4,813			
TOTAL RESOURCE CENTRES	53,916			

* Final area of tenant space at Holdom to be confirmed upon the finalization of the architectural drawings and construction of the space.

TABLE 2. ELIGIBILITY FOR LEASE SUPPORT 2008

RESOURCE CENTRES	2007	2007	2008	2007-2008
	Eligibility for Lease Support	Actual Lease Support	Proposed Lease Support	Change In Lease Support
Burnaby Heights Resource Centre				
759 Royal Air Cadets "Falcon Squadron"	50%	50%	50%	0%
Air Cadets - Storage	50%	50%	50%	0%
Alzheimer Society of BC	25%	25%	25%	0%
BC Centre for Ability Association	50%	50%	50%	0%
BC Settlement & Integration Workers Association	50%	50%	50%	0%
Boxing BC	0%	0%	0%	0%
Boy Scouts of Canada	50%	50%	50%	0%
Burnaby Family Life Institute	50%	50%	50%	0%
Burnaby Community Connections	50%	50%	50%	0%
Burnaby School District	0%	0%	0%	0%
Burnaby Seniors Outreach Services Society	50%	50%	50%	0%
Burnaby Association for Community Inclusion	50%	50%	50%	0%
Cairren Child & Family Services	25%	25%	25%	0%
Fraser Health Authority	0%	0%	0%	0%
Fraser Valley Square & Round Dance Society	25%	25%	25%	0%
Marguerite Dixon Transition Society	50%	50%	50%	0%
North Burnaby Boxing Club	50%	50%	50%	0%
Oromiyaan Canadian Society of BC	25%	25%	25%	0%
Volunteer Burnaby	50%	50%	50%	0%
Volunteer Burnaby - Stock Room	50%	50%	50%	0%
YMCA of Greater Vancouver	50%	50%	50%	0%
Edmonds Neighbourhood Resource Centre				
Burnaby Family Life Institute	50%	50%	50%	0%
Burnaby Firefighters Charitable Society	50%	50%	50%	0%
Burnaby School District	0%	0%	0%	0%
Canadian Mental Health Association	50%	50%	50%	0%
Canadian Red Cross Society - Burnaby Branch	50%	50%	50%	0%
Deaf Children's Society of BC	25%	25%	25%	0%
Immigrant Services Society of BC	50%	50%	50%	0%
St. Matthew's Day Care Society	50%	50%	50%	0%
Holdom Amenity Space*				
Tenant Space #1	N/A	N/A	50%	N/A
Tenant Space #2			50%	
Tenant Space #3			50%	
Tenant Space #4			50%	
Tenant Space #5			50%	

* For budgeting purposes, 50% lease support has been assumed for space that is currently vacant at the Holdom Amenity Space. Actual lease support will depend on the new tenant's eligibility for lease grant support and the approval of the Committee and Council.

TABLE 3. ANTICIPATED 2008 LEASE GRANTS

RESOURCE CENTRES	2008		2008		2008
	Proposed Lease Rate \$/Year	Anticipated Lease Grant \$/Year	Anticipated Lease Costs \$/Year	Anticipated Lease Costs Offset (%)	
Burnaby Heights Resource Centre					
759 Royal Air Cadets "Falcon Squadron"	\$11,185.03	\$5,592.52	\$5,592.52	50.0%	
Air Cadets - Storage	\$1,189.46	\$594.73	\$594.73	50.0%	
Alzheimer Society of BC	\$3,654.07	\$913.52	\$2,740.56	25.0%	
BC Centre for Ability Association	\$10,843.47	\$5,421.74	\$5,421.74	50.0%	
BC Settlement & Integration Workers Association	\$8,199.39	\$4,099.69	\$4,099.69	50.0%	
Boxing BC	\$1,815.90	\$0.00	\$1,815.90	0.0%	
Boy Scouts of Canada	\$11,784.34	\$5,882.17	\$5,882.17	50.0%	
Burnaby Family Life Institute	\$33,499.39	\$16,749.70	\$16,749.70	50.0%	
Burnaby Community Connections	\$24,988.07	\$12,494.04	\$12,494.04	50.0%	
Burnaby School District	\$94,340.90	\$0.00	\$94,340.90	0.0%	
Burnaby Seniors Outreach Services Society	\$12,833.82	\$6,416.91	\$6,416.91	50.0%	
Burnaby Association for Community Inclusion	\$49,196.32	\$24,598.16	\$24,598.16	50.0%	
Caireen Child & Family Services	\$4,868.39	\$1,217.10	\$3,651.29	25.0%	
Fraser Health Authority	\$8,600.44	\$0.00	\$8,600.44	0.0%	
Fraser Valley Square & Round Dance Society	\$2,157.63	\$539.41	\$1,618.22	25.0%	
Marquette Dixon Transition Society	\$13,736.20	\$6,868.10	\$6,868.10	50.0%	
North Burnaby Boxing Club	\$4,315.26	\$2,157.63	\$2,157.63	50.0%	
Oromiyaan Canadian Society of BC	\$3,698.64	\$924.86	\$2,773.98	25.0%	
Volunteer Burnaby	\$17,111.76	\$8,555.88	\$8,555.88	50.0%	
Volunteer Burnaby - Stock Room	\$760.70	\$380.35	\$380.35	50.0%	
YMCA of Greater Vancouver	\$11,764.34	\$5,882.17	\$5,882.17	50.0%	
TOTAL (Burnaby Heights)	\$330,523.51	\$109,288.46	\$221,235.06	33.1%	
Edmonds Neighbourhood Resource Centre					
Burnaby Family Life Institute	\$33,421.41	\$16,710.71	\$16,710.71	50.0%	
Burnaby Firefighters Charitable Society	\$9,625.37	\$4,812.68	\$4,812.68	50.0%	
Burnaby School District	\$16,699.56	\$0.00	\$16,699.56	0.0%	
Canadian Mental Health Association	\$16,777.55	\$8,388.77	\$8,388.77	50.0%	
Canadian Red Cross Society - Burnaby Branch	\$16,710.71	\$8,355.35	\$8,355.35	50.0%	
Deaf Children's Society of BC	\$25,511.68	\$6,377.92	\$19,133.76	25.0%	
Immigrant Services Society of BC	\$13,000.93	\$6,500.46	\$6,500.46	50.0%	
St. Matthew's Day Care Society	\$62,498.04	\$31,249.02	\$31,249.02	50.0%	
TOTAL (Edmonds)	\$194,245.23	\$82,394.92	\$111,850.32	42.4%	
Holdom Amenity Space					
Tenant Space #1	\$7,798.00	\$3,899.00	\$3,899.00	50%	
Tenant Space #2	\$15,829.94	\$7,914.97	\$7,914.97	50%	
Tenant Space #3	\$12,142.60	\$6,071.30	\$6,071.30	50%	
Tenant Space #4	\$13,568.52	\$6,784.26	\$6,784.26	50%	
Tenant Space #5	\$4,277.76	\$2,138.88	\$2,138.88	50%	
TOTAL (Holdom)	\$53,616.82	\$26,808.41	\$26,808.41	50%	
TOTAL RESOURCE CENTRES	\$578,385.57	\$218,491.78	\$359,893.79	62%	

TABLE 4. RESULTING 2008 LEASE COSTS TO TENANTS (after grant)

	2007		2008		2007-2008	
	Lease Costs \$/Year	Anticipated Lease Costs \$/Year	Anticipated Lease Costs \$/Year	Anticipated Cost Increase \$/Year	Anticipated Cost Increase %	Anticipated Cost Increase %
Burnaby Heights Resource Centre						
759 Royal Air Cadets "Falcon Squadron"	\$5,468.78	\$5,592.52	\$125.74	2.3%		
Air Cadets - Storage	\$581.36	\$594.73	\$13.37	2.3%		
Alzheimer Society of BC	\$2,678.94	\$2,740.56	\$61.62	2.3%		
BC Centre for Ability Association	\$5,299.84	\$5,421.74	\$121.90	2.3%		
BC Settlement & Integration Workers Association	\$4,007.52	\$4,099.69	\$92.17	2.3%		
Boxing BC	\$1,775.07	\$1,815.90	\$40.83	2.3%		
Boy Scouts of Canada	\$5,749.92	\$5,882.17	\$132.25	2.3%		
Burnaby Family Life Institute	\$16,373.12	\$16,749.70	\$376.58	2.3%		
Burnaby Community Connections	\$12,213.14	\$12,484.04	\$270.90	2.3%		
Burnaby School District	\$90,712.40	\$94,340.90	\$3,628.50	2.3%		
Burnaby Seniors Outreach Services Society	\$6,272.64	\$6,416.91	\$144.27	2.3%		
Burnaby Association for Community Inclusion	\$24,045.12	\$24,598.16	\$553.04	2.3%		
Caileen Child & Family Services	\$3,569.20	\$3,651.29	\$82.09	2.3%		
Fraser Health Authority	\$8,407.08	\$8,600.44	\$193.36	2.3%		
Fraser Valley Square & Round Dance Society	\$1,581.84	\$1,618.22	\$36.38	2.3%		
Marguerite Dixon Transition Society	\$6,713.69	\$6,868.10	\$154.41	2.3%		
North Burnaby Boxing Club	\$2,109.12	\$2,157.63	\$48.51	2.3%		
Oroniyaan Canadian Society of BC	\$2,711.61	\$2,773.98	\$62.37	2.3%		
Volunteer Burnaby	\$8,363.52	\$8,555.88	\$192.36	2.3%		
Volunteer Burnaby - Stock Room	\$371.80	\$380.35	\$8.55	2.3%		
YMCA of Greater Vancouver	\$5,749.92	\$5,882.17	\$132.25	2.3%		
TOTAL (Burnaby Heights)	\$214,753.61	\$221,235.06	\$6,481.44	2.93%		
Edmonds Neighbourhood Resource Centre						
Burnaby Family Life Institute	\$16,335.00	\$16,710.71	\$375.71	2.3%		
Burnaby Firefighters Charitable Society	\$4,704.48	\$4,812.68	\$108.20	2.3%		
Burnaby School District	\$16,324.11	\$16,699.56	\$375.45	2.3%		
Canadian Mental Health Association	\$8,200.17	\$8,388.77	\$188.60	2.3%		
Canadian Red Cross Society - Burnaby Branch	\$8,167.50	\$8,355.35	\$187.85	2.3%		
Deaf Children's Society of BC	\$18,703.58	\$19,133.76	\$430.18	2.3%		
Immigrant Services Society of BC	\$6,354.32	\$6,500.46	\$146.15	2.3%		
St. Matthew's Day Care Society	\$30,546.45	\$31,249.02	\$702.57	2.3%		
TOTAL (Edmonds)	\$109,335.60	\$111,850.32	\$2,514.72	2.30%		
Holdom Amenity Space						
Tenant Space #1	N/A	\$3,899.00	\$3,899.00	N/A		
Tenant Space #2		\$7,914.97	\$7,914.97			
Tenant Space #3		\$6,071.30	\$6,071.30			
Tenant Space #4		\$6,784.26	\$6,784.26			
Tenant Space #5		\$2,138.88	\$2,138.88			
TOTAL (Holdom)		\$26,808.41	\$26,808.41			
TOTAL RESOURCE CENTRES	\$324,089.21	\$359,893.79	\$35,804.57	9.95%		