

**FINANCIAL MANAGEMENT COMMITTEE**

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

**SUBJECT: CAPITAL FUNDING – DEER LAKE CENTRE**

**RECOMMENDATION:**

1. THAT Council authorize staff to bring down a Capital Reserve Expenditure Bylaw in the amount of \$300,000 (inclusive of GST) for the washroom and lobby renovations on the third and fourth floors of Deer Lake I.

**REPORT**

The Financial Management Committee, at its meeting held on 2016 July 21, received and adopted the attached report seeking capital bylaw funding approval for washroom and elevator lobby renovations at the City-owned building - Deer Lake I.

Respectfully submitted,

Councillor D. Johnston  
Chair

Councillor C. Jordan  
Vice Chair

Councillor P. McDonell  
Member

Copied to:	City Manager Director Finance City Solicitor
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**TO:** CHAIR AND MEMBERS  
FINANCIAL MANAGEMENT COMMITTEE

**DATE:** 2016 July 13

**FROM:** DIRECTOR FINANCE

**FILE:** 4500-20

**SUBJECT:** CAPITAL FUNDING – DEER LAKE CENTRE

**PURPOSE:** To request capital bylaw funding for washroom and elevator lobby renovations at the City-owned building Deer Lake I.

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**RECOMMENDATION:**

1. **THAT** Council authorize staff to bring down a Capital Reserve Expenditure Bylaw in the amount of \$300,000 (inclusive of GST) for the washroom and lobby renovations on the third and fourth floors of Deer Lake I.

**REPORT**

The City of Burnaby's property management company Colliers International, working in conjunction with City staff has negotiated an agreement to extend and amend the lease with the Fraser Health Authority (FHA) for 36,755 square feet of space located between suites 105, 300 and 400 at Deer Lake I and for 4,844 square feet located in suite L50, Deer Lake I. FHA exercised its option to extend the agreement for a further five years. The amendments to the lease relate to the lease rates, the parking provisions and the renovations of the lobbies and washrooms.

The value of the base rent over the five year term will be \$3,486,280. In addition, as part of the Deer Lake Centre's operating costs the FHA contribution over the term of the agreement will be in excess of \$1.97 million.

As part of the negotiated agreement the City agreed to cost-share with the FHA on the renovation of the third and fourth floor washrooms and elevator lobbies. The FHA was given the option to either provide a cash contribution equal to one half of the capital cost of these upgrades or amortize its 50% share over the five year term at an interest rate of 6% per annum. Design work has been completed and the scope and specifications for the washrooms and lobbies have been sent to contractors for their bids. The full cost is estimated at \$300,000 with half of the expended amount expected to come back to the City either as a lump sum payment or through monthly payments. The funding for this project has been included in the 2016 – 2020 Annual Financial Plan.

To: Financial Management Committee  
From: Director Finance  
Re: CAPITAL FUNDING – DEER LAKE CENTRE

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**RECOMMENDATION**

It is recommended that Council authorize staff to bring down a Capital Reserve Expenditure Bylaw in the amount of \$300,000 (inclusive of GST) for washroom and lobby renovations on the third and fourth floors of Deer Lake I as outlined in this report.

Funding for this requirement is provided under Capital Project CAX.0014 (\$300,000) which is included in the 2016 – 2020 Annual Financial Plan.



Denise Jorgenson  
DIRECTOR FINANCE

DJ:DL:SB/ew