
TO: CITY MANAGER **DATE:** 2017 November 22

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 12000 01
Reference: Non-profit Office Space

**SUBJECT: NEW TENANT FOR NON-PROFIT OFFICE SPACE AT
6255 NELSON AVENUE**

PURPOSE: To inform Council of the process to search for a potential new tenant for vacant non-profit office space at 6255 Nelson Avenue.

RECOMMENDATION:

1. **THAT** Council receive this report for information.

REPORT

1.0 BACKGROUND

This report informs Council regarding the process staff have commenced to identify a new tenant for a vacant non-profit office space. In 1997, the City secured this 1,600 sq.ft. strata unit as a community amenity space within a mixed-use residential/commercial development at 6255 Nelson Avenue (see *Sketch #1, attached*). The subject space is a ground-level strata unit that is accessed via an external door and consists of a large classroom/meeting room and a number of offices. Tenants also have access to four parking spaces in the building's underground parking garage.

The amenity space was secured through the rezoning of the subject property for the mixed-use Newmark development. The building's Strata Corporation maintains ownership of the strata unit. The use of the unit as a community amenity space is regulated through the zoning and the registration of a restrictive covenant which designates its use as non-profit office space. The covenant also outlines the responsibilities of both the Strata Corporation and the City in tenanting the unit.

Until 2017 October 15, Burnaby Multicultural Society (BMS) occupied the unit and it is now vacant. Under the covenant, the City has the right to propose a list of potential non-profit tenants to occupy the unit to the Strata Corporation. The Strata Corporation is then able to select the new tenant from the list provided by the City.

In addition to restricting the use of the unit to a non-profit office use on a rent free basis, the restrictive covenant directly specifies that:

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- the City provide a list of prospective lessees to the Strata from which the Strata would choose a new tenant;
- four parking spaces be allocated for use of the unit;
- the unit cannot be sold or transferred without written consent of the City with an option for City purchase; and,
- the tenant of the strata unit is required pay the strata fees and property taxes associated with the strata unit.

During the rezoning process, the developer of the Newmark building approached BMS to offer it the occupancy of the future community amenity space and Council agreed with this allocation of the space. The original lease agreement was struck between the Strata Corporation and BMS, which provided the non-profit society with a 10-year occupancy term at an annual base rent of \$1. Under the lease, the tenant was, and would be, responsible for payment of strata and management fees, utilities, janitorial services, repairs, maintenance, taxes and insurance associated with the strata unit and its use.

2.0 PROCESS FOR IDENTIFYING POTENTIAL TENANTS

In order for the City to assist the Strata Corporation with securing a new non-profit tenant, staff emailed local non-profit organizations and those on a notification list of organizations that have shown interest in the past to lease space at a Burnaby community resource centre. The email requested interested non-profit groups to submit a letter of interest outlining who they are, the services that they propose to provide at the site and who they serve. Two newspaper notices were also placed in the local newspaper. Staff have been in contact with the property management company for the Newmark strata scheduled a date on which a site visit will be hosted to enable interested non-profit organizations to visit the space prior to submitting a letter of interest.

Received letters of interest will be reviewed based on Council's adopted guidelines for allocation of space at City-owned Community Resource Centres. As indicated in the guidelines, the space will be targeted to non-profit groups that provide services and programs primarily intended for Burnaby residents.

Following the review of submitted letters of interest, a subsequent report will be brought forward to Council with a compiled list of potential non-profit tenants. Upon Council approval, the list would be forwarded to the Strata Corporation for its consideration. The Strata Corporation would be responsible for establishing a new lease agreement between it and the chosen tenant from the list provided by the City.

3.0 CONCLUSION

The City's negotiated community amenity space at 6255 Nelson Avenue was recently vacated. Under the terms of the restrictive covenant for the space, the City is responsible for submitting a list of prospective non-profit tenants to the building's Strata Corporation. In order to facilitate a new tenancy in a timely manner, staff undertook a process to identify a list of appropriate non-profit organizations through the process outlined in Section 2.0 of this report. A subsequent

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report will be brought forward with the list of potential non-profit tenants for Council approval and the approved list will be submitted to the building's Strata Corporation for consideration of a new tenancy

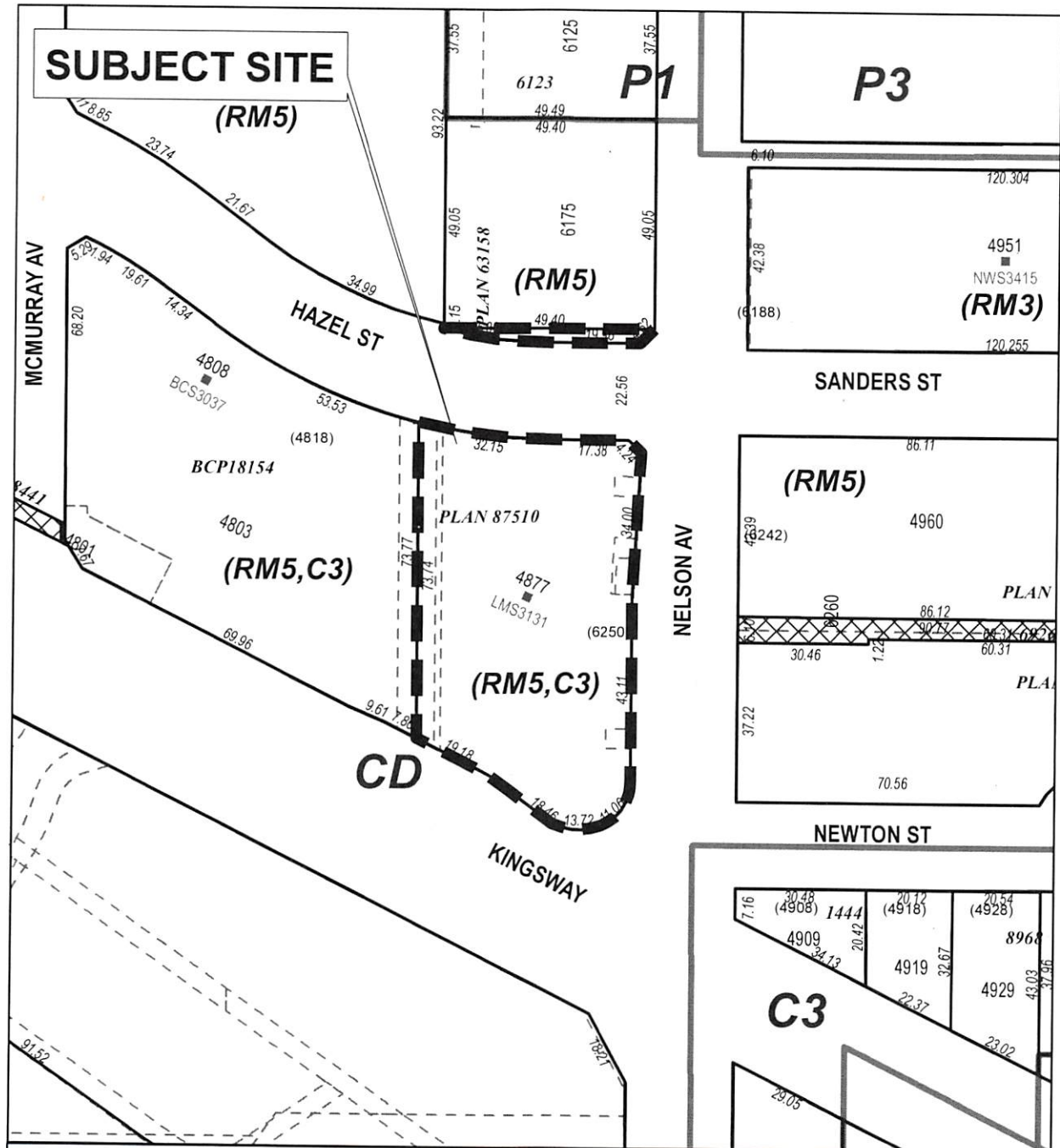

Lou Pelletier, Director
PLANNING AND BUILDING




CS:sa/sla

Attachment

cc: Director Engineering
Director Finance
Director Public Safety and Community Services
Director Parks, Recreation and Cultural Services
City Solicitor
Chief License Inspector
City Clerk

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		PLANNING & BUILDING DEPARTMENT		
DATE: OCT 24 2017		6255 NELSON AVENUE  Subject Site		
SCALE: 1:1,500				
DRAWN BY: AY				

Sketch #1