

EXECUTIVE COMMITTEE OF COUNCIL

TO: MAYOR AND COUNCILLORS

SUBJECT: PLA - METROTOWN COMMUNITY RESOURCE CENTRE

RECOMMENDATION:

THAT staff be authorized to execute a lease agreement with Metrotown Community Resource Centre tenants at 4460 Beresford Street as outlined in the report "PLA – Metrotown Community Resource Centre, dated October 2, 2024, of the Open meeting of the Executive Committee of Council; and

THAT the new lease will commence with a term of sixteen (16) months and four (4) renewal options of one (1) year each, with the following tenants:

- Burnaby Neighbourhood House;
- C. Centre for Ability; and
- YMCA of Greater Vancouver.

REPORT

The Executive Committee of Council, at its meeting held on October 2, 2024, received and adopted the attached report seeking Council approval to enter into a Proposed Lease Agreement (PLA) with the tenants of Metrotown Community Resource Centre (CRC) located at 4460 Beresford Street.

On behalf of the Executive Committee of
Council,

Councillor Sav Dhaliwal
Chair

Councillor P. Calendino
Vice Chair

TO: EXECUTIVE COMMITTEE OF COUNCIL (ECC)

FROM: GENERAL MANAGER LANDS AND FACILITIES

SUBJECT: **PLA - METROTOWN COMMUNITY RESOURCE CENTRE**

PURPOSE: To seek Council approval to enter into a Proposed Lease Agreement (PLA) with the tenants of Metrotown Community Resource Centre (CRC), located at 4460 Beresford Street.

RECOMMENDATION

THAT staff be authorized to execute a lease agreement with Metrotown Community Resource Centre tenants at 4460 Beresford Street as outlined in the report, “PLA – Metrotown Community Resource Centre”, dated October, 2, 2024, of the Open meeting of the Executive Committee of Council; and

THAT the new lease will commence with a term of sixteen (16) months and four (4) renewal options of one (1) year each, with the following tenants:

- Burnaby Neighbourhood House;
- B.C. Centre for Ability; and
- YMCA of Greater Vancouver.

1.0 POLICY SECTION

The proposed Lease Agreements at 4460 Beresford Street align with the following Council adopted policies and plans/strategies:

- Burnaby Strategic Plan (2022)
- Equity Policy (2020)
- Economic Development Strategy (2016)
- The Burnaby Social Sustainability Strategy (2011)

2.0 BACKGROUND

In 2014, the City received a new resource center with a total gross area of 16,000 square feet in the Metrotown Plan area as part of an agreement under Burnaby’s Community Benefit Bonus Policy. The resource center was named the Metrotown Community Resource Centre.

This Community Resource Centre (CRC), located at 4460 Beresford Street, is in a mixed-use commercial/residential development. It features a 46-story residential tower atop four stories of commercial space and two five-story townhouses around the perimeter of the development. The amenity space has a gross area of 16,000 square feet over three floors.

A Request for Proposal (RFP) was advertised to lease the space. The RFP specified that potential tenants must provide a range of programs and services that benefit the community and Burnaby as a whole. Following the evaluation and selection through the RFP process, Council authorized staff to enter into agreements with a partnership made up of four tenants: Burnaby Neighborhood House, BC Centre for Ability, YMCA of Greater Vancouver, and National Congress of Black Women. The City ended the lease agreement with National Congress of Black Women on February 28, 2023, and the unit was reassigned to the Burnaby Neighborhood House as of June 1, 2023.

Three remaining tenants continue to contribute services to the Burnaby residents, as indicated in the table below:

METROTOWN COMMUNITY RESOURCE CENTRE (CRC) - 4460 BERESFORD STREET						
Tenants	Leased Area Sq. Ft.	2024 Approved Lease Rate	2024 Gross Lease Rev. \$/Year (before grant)	2024 Lease Offset %	2024 Lease Grant \$/Year	2024 Lease Rev. \$/Year (after grant)
Burnaby Neighbourhood House	8,458	\$15.09	\$127,631.22	50%	\$63,815.61	\$63,815.61
BC Centre for Ability	1,571	\$15.09	\$ 23,706.39	50%	\$11,853.20	\$11,853.20
YMCA of Greater Vancouver	988	\$15.09	\$ 14,908.92	50%	\$ 7,454.46	\$7,454.46
Total	11,017	\$15.09	\$166,246.53	50%	\$83,123.27	\$83,123.27

3.0 GENERAL INFORMATION

A recent market rent valuation for the Metrotown area confirms the total market rents of an average of \$46.60/sq.ft., comprising a net/base rent of \$24.50/sq.ft. to \$34.25/sq. ft. and additional rent of \$14.45/sq.ft. to \$20/sq.ft., for common area maintenance fees.

MARKET RENT VALUATION - METROTOWN CRC				
Metrotown Area	2024 Market Rent Estimate / Sq. Ft.	Median Rent Estimate / Sq. Ft.	Metrotown CRS Lease Area / Sq. Ft.	Lease Revenue Based on Market Rent Valuation \$/Year
Base Rent	\$24.50 - \$34.25	\$29.40	11,017	\$323,899.80
Additional Rent	\$14.45 - \$20.00	\$17.20	11,017	\$189,492.40
Total Rent	\$38.95 - \$54.25	\$46.60		\$513,392.20
Parking Fee	\$65 to \$275/mo.	\$170/mo.	20 / Parking Spots	\$40,800.00
Gross Lease Revenue Total (\$/Year)				\$554,192.20

Based on the above valuation, the City’s annual total contribution to the Metrotown Resource Centre is \$471,068.93, comprising a lease grant of \$83,123.27 and an in-kind contribution of \$387,945.66.

2024 CITY TOTAL CONTRIBUTION - METROTOWN CRC	
Lease Revenue Based on Market Rent Valuation \$/Year	\$554,192.20
2024 Metrotown Lease Revenue - (after grant)	-\$83,123.27
Total Contribution	\$471,068.93
2024 Lease Grant	-\$83,123.27
In-Kind Contribution	\$387,945.66

A new Lease is required as the latest lease expired on August 31, 2024, and no renewal options were in place.

All three tenants expressed interest in entering into a new lease agreement. Each Tenant has provided financial reports and program activity summaries to the City’s Social Planning Staff, who confirmed that the tenant met the requirements for continuing the tenancy.

Based on the Proposed Optimal Lease Plan for CRC approved by Council on May 27th, 2024, the Lands and Facilities staff reviewed the revenue and operating cost for the last ten years, from 2014 – 2023 (Attachment 1). Staff confirmed that a reasonable financial balance had been achieved, and no modifications were recommended to the original agreement as the basic rent and lease grants will be in line with the annual rental increase approved by Council.

Attachment 2 lists the proposed basic lease terms, and Attachment 3 includes the proposed 2025 lease rates and lease grants.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Lands and Facilities Staff have advised the tenants of the proposed 2025 lease rates.

5.0 FINANCIAL CONSIDERATIONS

The City’s 2024-2028 Financial Plan will reflect the recommendations in Attachment 2.

The Lands and Facilities Department is reviewing the capital asset management and replacement plan. This review, in collaboration with Finance’s long-term capital forecast, aims to ensure adequate planning for the capital budget.

Respectfully submitted,

James Lota, General Manager Lands and Facilities

ATTACHMENTS

Attachment 1 – Summary of Revenue and Operating Cost for the last 10 years

Attachment 2 – Proposed Basic Lease Terms

Attachment 3 – Proposed 2025 Lease Rates and Lease Grants

REPORT CONTRIBUTORS

This report was prepared by Cherie Mak, Senior Real Property Administrator, and reviewed by Mia Ciric, Senior Manager Real Property and Sarah Alexander, Director Real Estate and Business Operations.