



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: May 30, 2005
Author: Alice Yee
Phone No.: 604.873.7180
RTS No.: 5244
CC File No.: 5104
Meeting Date: June 28, 2005

TO: Vancouver City Council

FROM: Director of Real Estate Services in consultation with General Manager of Engineering Services

SUBJECT: Lease - Dunlevy Avenue, between Pender Street and Keefer Street to Mau Dan Gardens Cooperative Housing Association at 350 East Pender Street

CONSIDERATION

THAT the renewal of a lease for the portion of Dunlevy Avenue between Pender Street and Keefer Street, described as That portion of Dunlevy Avenue, adjacent to Lot C, Block 122, District Lot 196, Plan 13208, Group 1, New Westminster District, be renewed for a 5-year term from July 1, 2005. The rent to be \$10,582.00 per annum, and that Council approve of a grant request of \$6,582.00 per annum for a net annual rent of \$4,000.00. No legal rights or obligations shall arise or be created until all documents are fully executed to the satisfaction of the Director of Legal Services.

GENERAL MANAGER'S COMMENTS

The General Manager of Corporate Services submits the foregoing for CONSIDERATION.

COUNCIL POLICY

Section 206(1)(a) of the Vancouver Charter states, two-thirds of all members of council must approve a resolution for the making of a money grant to a charitable institution (lease of City property at less than market rent is considered a grant).

Vancouver City Council at its regular meeting on July 4, 2000 approved a 5-year lease at below market of \$4,000.00 per annum to the Mau Dan Gardens Co-Operative Housing Association.

PURPOSE

The purpose of this report is to seek Council approval for the renewal of a lease for the portion of Dunlevy Avenue between Pender Street and Keefer Street, being That portion of Dunlevy Avenue, adjacent to Lot C, Block 122, District Lot 196, Plan 13208, Group 1, New Westminster District (outlined in bold in Appendix A) leased to Mau Dan Gardens Co-Operative Housing Association, for a below market rent of \$4,000.00 per year.

BACKGROUND

In April 1995, Council resolved to close, stop up and lease that 10,032 sq. ft. portion of Dunlevy Avenue between Pender Street and Keefer Street, to Mau Dan Gardens Co-Operative Housing Association, to allow for the installation of fencing around their property to improve security. The closure received the support of the residents in the community, the Police, Planning and Engineering Services departments.

The portion of closed road was leased to the Housing Association for 5 years at a rent of \$4,000.00 per year to compensate the City for alienating the road from public use.

In 2000, the Housing Association, citing the importance of the closed road for maintaining safety and security, and their difficult financial position, requested the City to renew the lease at the same annual rent. In July 2000, Council again supported the Housing Association and staff recommendations to renew the lease for a further 5 year term at the same rent of \$4,000.00 per year.

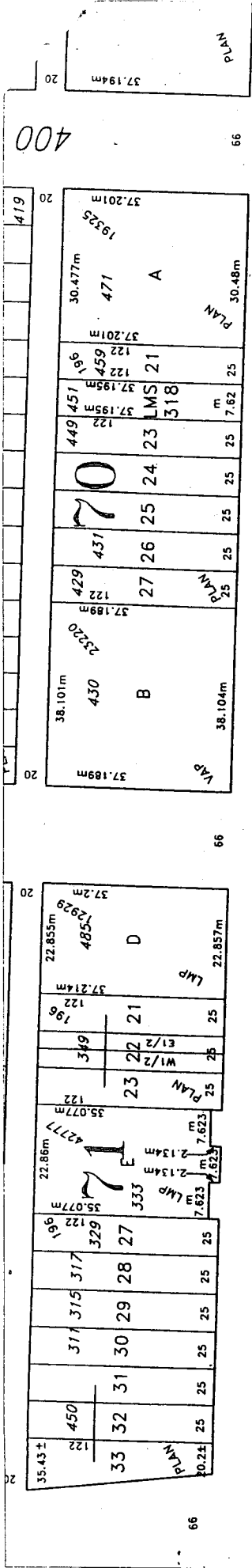
CURRENT SITUATION

In discussions for the current lease renewal, staff advised the Housing Association that fair market rent for the closed portion of road is estimated to be \$10,582.00 per year. The Housing Association, citing the importance of the closed road for maintaining safety, security, privacy, and marketability, and facing similar financial challenges as they did 5 years ago, plus a foreseeable financial commitment for major building envelope remediation work, again requested the City to renew the lease at the same rent of \$4,000.00 per year. Their reasons for the request are explained in the May 24, 2005 letter attached. (Appendix B).

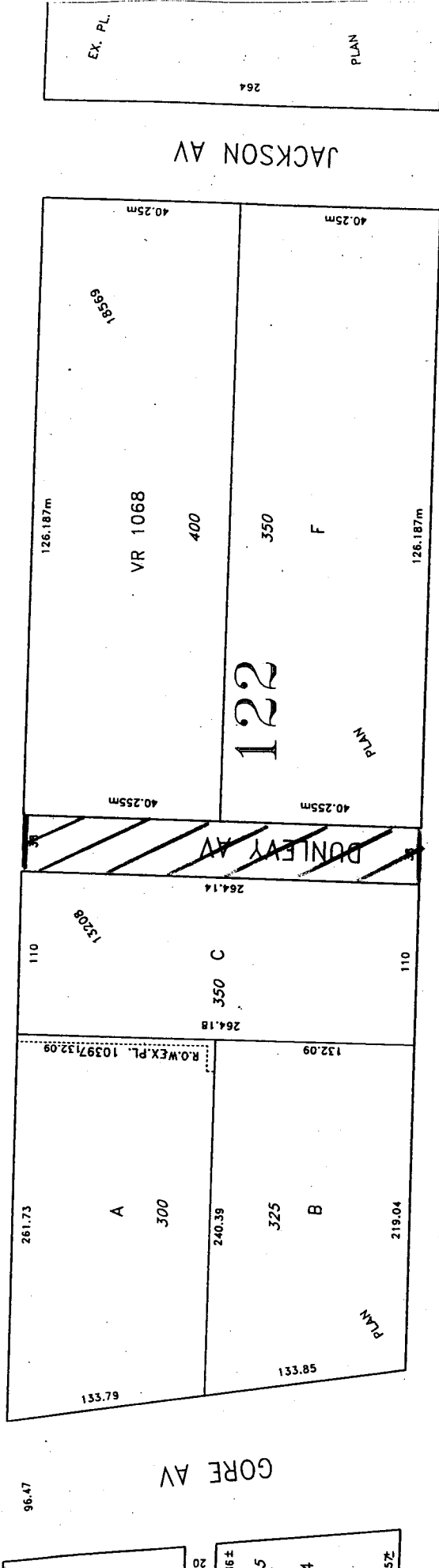
CONCLUSION

The General Manager of Engineering Services supports the renewal of the lease with similar terms and conditions as the existing lease, and at a below market rent of \$4,000.00 per year. The Director of Real Estate Services and the General Manager of Engineering Services presents for consideration, the request for a grant of \$6,582.00 in lieu of rent.

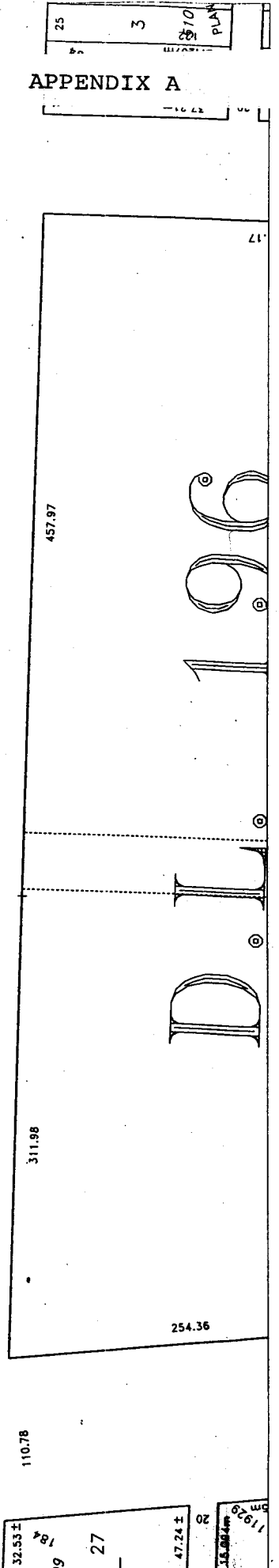
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APPENDIX A

	<p>CITY OF VANCOUVER ENGINEERING SERVICES</p> <p>THE CITY OF VANCOUVER ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF INFORMATION SHOWN ON THIS MAP</p>		<p>SCALE N.T.S.</p>		<p>DATE APR 13, 2005</p>	<p>THIS DIGITAL MAP WAS PRODUCED BY THE LAND SURVEY BRANCH</p>
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MAU DAN GARDENS CO-OPERATIVE HOUSING ASSOCIATION
 415-350 E. Pender Street, Vancouver, B.C. V6A 3X4 Tel: (604) 255-4778 Fax: (604) 255-4703

May 24, 2005

Mayor and Council
 City of Vancouver
 453 West 12th Avenue
 Vancouver, BC, V5Y 1V4

Dear Mayor Campbell and Councilors:

Re: Renewal of Dunlevy Lease

For the last 10 years an important component in the sustainability of Mau Dan Gardens Housing Co-op has been the perimeter security fence. This protection has enabled our children to play on the grounds safely, has provided the necessary security for seniors to walk around, sit and enjoy the outdoors, and has provided security and privacy for our 126 households.

As you are no doubt aware, the problems of drug use, trafficking and street crime have not abated in our neighbourhood in the last decade. If anything, the problems in direct proximity to our co-op have worsened as police have made a concerted effort to control the drug problem along East Hastings. Because of the challenges that our neighbourhood faces, we do not have an easy time filling vacancies. The security fence is instrumental in maintaining the marketability of our units. Once people settle in, they become aware of the many advantages of the Chinatown/Strathcona Community, but our members expect us to maintain a high level of security around their homes.

An instrumental part of our perimeter security system is the lease we have with the city for the section of Dunlevy between Pender and Keefer. Without that lease our perimeter security system cannot function. It has been a great benefit to us all that the city has agreed to lease us this land and to provide a grant to offset the cost of the lease.

We understand that land costs have escalated in the last five years. We are a poor co-op now facing major building envelope remediation work which will add greatly to our financial burden. We ask that the city renew the lease and offset any increase in the market rent with an increased grant so that we may continue to pay something close to the value we have been paying over the past ten years.

Yours truly,


 Stephen Gray
 Secretary

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