

Re: Proposed Lease of Municipally-owned Property to the  
Canadian Imperial Bank of Commerce  
Lot 5, Block 7, D.L. 32, Plan 1229  
6278 McMurray Avenue  
(Item 19, Report No. 15, February 25, 1974)  
(Item 14, Report No. 67, October 15, 1974)

On February 25, 1974, Council authorized the Land Agent to negotiate a lease of the subject property (see attached sketch) with the Canadian Bank of Commerce for use as a parking lot, subject to the condition that negotiations would be for one year and subject to renewal considerations on an annual basis. The report considered by Council at that time advised that the property was zoned R5 (Residential), and that officials of the Bank were aware that they would have to make application to rezone the property to P8 (Parking District) category.

On October 15, 1974, Council was made aware of the submission of a rezoning application by the Bank, not only for Lot 5, but also for Lots 6 and 7 to the north, in order to permit a joint development of the lands for an improved surface parking lot. The application received first and second readings on November 25, 1975.

We have before us at this time a proposal by the Bank that the lease be for a ten year term with a one year cancellation clause. The proposal is based on the Bank's desire to have an assurance that the Municipality is favourably disposed to a long term lease, particularly in view of the fact that some considerable cost is involved in the purchase of Lots 6 and 7, and the development of Lot 5 for parking purposes. The Planning and Land Departments have reviewed this proposal, and advise that they have no objections because the one year cancellation clause can be exercised to acquire the property for the Kingsway Town Centre should such acquisition become necessary within the term period.

The following lease conditions have been negotiated:

1. Ten year term with a one year cancellation clause applicable to both parties.
2. \$3,080 per annum, with the rate to be re-negotiated after the first five years.
3. Taxes to be paid by the lessee.

Following is the manner in which the lease rate was calculated:

4,274 square feet:	total area of the subject property.
\$6.00	per square foot: current market value.
\$ 25,644	current market value of the subject property.
12%	current rate of return on investment.
<u>\$3,077.28</u>	

The rezoning application will be forwarded to Council for final adoption when the Bank has complied with two remaining prerequisites that have been established as conditions for approval. From the Bank's point of view, compliance with these prerequisites is contingent upon the consummation of a lease for Lot 5.

RECOMMENDATIONS:

1. THAT the words "with the understanding that the negotiations would be for a one year lease subject to renewal considerations on an annual basis" be rescinded from the following motion passed by Council at the meeting on February 25, 1974:

"THAT the Land Agent be authorized to negotiate a lease with the Canadian Imperial Bank of Commerce, with the understanding that the negotiations would be for a one year lease subject to renewal considerations on an annual basis."; and

2. THAT authorization be given to execute a lease document on behalf of the Municipality subject to the conditions as outlined in this report.

ITEM 19  
MANAGER'S REPORT NO. 15  
COUNCIL MEETING Feb. 25/74

ITEM 4  
MANAGER'S REPORT NO. 27  
COUNCIL MEETING Apr. 14/75



Subject Property

