

ITEM 6

MANAGER'S REPORT NO. 58

COUNCIL MEETING Sept. 15/75

Re: PROPOSED PARKING LOT LEASE WITH THE ROYAL BANK OF CANADA
Ptn. Lot 5, Blk. 14, D.L. 153, Plan 2236
6025 McKay Avenue

The Municipality entered into a lease for Lots 4 and 5 as shown on the attached sketch with the Royal Bank for a term of 10 years commencing July 1, 1965, and ending June 30, 1975. The purpose for which the lease was granted was to provide a parking lot for bank customers. The annual rental was \$775.00, based on 7% of the 1965 assessed value of the land, and the property was taxable under Section 336 of the Municipal Act.

A new lease is now requested by the bank on only a portion of Lot 5 as shown on the sketch (115.47' x 50').

Sales in the first quarter of 1974 for adjacent property indicate the going rate to be \$6.00 per square foot. The Land Agent has calculated the lease rate on the basis of a market value of \$7.00 per square foot and a return of 9% as of April 16, 1975. The new rate as calculated in this manner would be \$3,637.50 per annum.

The Planning Department recommends that Lots 4 and 5 not be rezoned to a Parking District (P8) category, but that they remain under an M1 designation, with appropriate lease arrangements made for the subject parking facility on a portion of Lot 5.

The subject site is located within the Metro Town Centre Area on which a first report will be submitted to Council in the near future. Substantiation of a parking facility on the subject site through rezoning is inadvisable in the light of this study and the proposed redevelopment of this area. It is therefore recommended that any new lease agreement entered into be on a short-term basis only, providing for continuance of the existing use in a continuing legal non-conforming status.

RECOMMENDATIONS:

1. THAT the term of the new lease be for one year commencing July 1, 1975; and
2. THAT the rate be \$3,637.50 per annum; and
3. THAT the property be subject to taxes under Section 336 of the Municipal Act; and
4. THAT the existing M1 zoning of the subject site be retained.

