

ITEM	6
MANAGER'S REPORT NO.	8
COUNCIL MEETING	1979 01 29

Re: PROPOSED SALE OF MUNICIPAL PROPERTIES
LOTS 20 & 21, BLOCK 9, D.L. 122, PLAN 1308
4575-4581 PENDER STREET
MCDONALD'S RESTAURANTS OF WESTERN CANADA LTD.

Following is a report from the Municipal Solicitor regarding a proposal to sell two properties on Pender Street and Alpha Avenue which are owned by the Municipality.

RECOMMENDATIONS:

1. THAT the recommendation of the Municipal Solicitor be adopted.

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TO: MUNICIPAL MANAGER

1979 January 19

FROM: MUNICIPAL SOLICITOR

SUBJECT: Offer to Purchase N.W. Corner of Pender Street & Alpha Avenue
Lots 20 & 21, Block 9, D.L. 122, Plan 1308 (4575-4581 Pender Street)
MCDONALD'S RESTAURANTS OF WESTERN CANADA LTD.

RECOMMENDATION:

1. THAT authorization be granted the Legal & Lands Department to negotiate the sale of Lots 20 & 21, Block 9, D.L. 122, Plan 1308, 4575-4581 Pender Street, to McDonald's Restaurants of Western Canada Ltd. Negotiated price to be the subject of a further report to Council.

REPORT

BACKGROUND:

On 1968 May 01, the Municipality entered into an agreement with McCan Franchises Ltd. for the lease of the above described property as shown cross-hatched on the attached sketch. This lease was for an initial period of five (5) years at an annual rate of \$1,000 plus taxes commencing 1968 May 01. The lease was renewed on 1973 May 01 between the Municipality and McDonald's Restaurants of Western Canada Ltd. at an annual rate of \$3,675 for a further five (5) years with an option to renew for a further five (5) years.

RENEWAL NEGOTIATIONS:

The said lease expired on 1978 May 01. McDonald's Restaurants have been advised that the Municipality would require a yield of at least 9% on the assessment valuation of \$89,500 for 1978 (\$8,055 per annum). Mr. Jim Ellis, Real Estate representative for McDonald's Restaurants Western Canada Ltd., advised that rather than lease at rate quoted, they would prefer if possible to purchase the property. McDonald's Restaurants are leasing this location and the lease has approximately ten (10) years to run.

OFFER TO PURCHASE:

We have received an offer from McDonald's Restaurants Western Canada Ltd. for the purchase of both Lots 20 & 21 for the sum of \$80,000 or \$9.93 per sq. ft.

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