

ITEM	5
MANAGER'S REPORT NO.	33
COUNCIL MEETING	1981 07 13

RE: RENEWAL OF A PARKING LOT LEASE
 E½ OF LOT 5, BLOCK 14, D.L. 153, GROUP 1, PLAN 2236, NWD
 6025 MCKAY AVENUE
 ROYAL BANK OF CANADA
 METROTOWN AREA 14

Following is a report from the Municipal Solicitor on the proposed renewal of a lease.

RECOMMENDATION:

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

JULY 2, 1981

TO: MUNICIPAL MANAGER
 FROM: MUNICIPAL SOLICITOR
 RE: RENEWAL OF PARKING LOT LEASE
 ROYAL BANK OF CANADA - 6025 McKay Avenue
 E½ of Lot 5, Block 14, D.L. 153, GROUP 1,
 Plan 2236, NWD. Metrotown Area 14

RECOMMENDATION:

1. That the E½ of Lot 5, Block 14, D.L. 153, Plan 2236, 6025 McKay Avenue be leased to the Royal Bank of Canada for an interim use parking lot, commencing July 1, 1981 and terminating on the 30th June, 1982, for an annual rental, paid in advance, of \$6,642.00, all other terms and conditions remain unchanged.

REPORT

The subject property is situated within the Metrotown area 14, and comprises of 536^m2 (5,770 square feet) and is currently zoned M1, see attached sketch.

Council on July 25, 1955 entered into a Lease Agreement with the Royal Bank of Canada permitting the Bank to develop as an interim use, a blacktop parking lot, providing free customer parking. The original lease has been renegotiated over the years. Our current Lease Agreement expired on June 30, 1981; this Lease was for a period of one year and yielding \$5,250.00, paid in advance.

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TO: MUNICIPAL MANAGER
 (Re: 6025 McKay Avenue)

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Value of Property

Land values throughout the Metrotown area range between \$15.00 to \$36.00 per square foot relative to the condition of the improvements. As vacant land we estimate the current value at \$18.00 per square foot or \$103,860.00.

Assessed Value - 1981

Land	\$58,900.00
Improvements	<u>3,300.00</u>
Total	\$62,200.00

The annual value reflects its present interim use value.

Development Proposals

The Director of Planning has advised that no development is anticipated in the immediate future and would have no objection to the lease being renewed for a further period of one year.

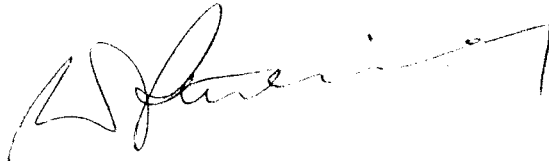
Negotiations

We have renegotiated the renewal of the said lease for a further period of one year commencing July 1, 1981 and terminating June 30, 1982, at the "rate" of \$6,642.00 per annum payable in advance plus annual taxes (1981 taxes \$1,715.71).

Appraised Lease Value

Comparable leased properties are not available for comparison. Our alternative is to establish our lease rate based on the appraised value of the property. As a parking lot interim use, the value is considerably less than its worth for development under the Metrotown plan.

Based on the 1981 assessed value for land, the negotiated lease of \$6,642.00 per annum represents a net yield of 11.27 percent. We feel that this lease represents a fair return as a holding property.



W. L. Stirling
 Municipal Solicitor

FAE:gmc

cc: Municipal Treasurer
 Director of Planning
 Engineering

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THAT PORTION OF LOT 5 ON WHICH THE BANK WISHES TO HAVE A LEASE RENEWED



