

ITEM 4  
MANAGER'S REPORT NO. 28  
COUNCIL MEETING 88/04/18

RE: RENEWAL OF LEASE, LOTS 20 AND 21, BLK 9, DL 122 NWD, PL 1308  
4581 E. PENDER STREET, MCDONALD'S RESTAURANTS OF CANADA LTD.

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Planning & Building Inspection be adopted.

\* \* \* \* \*

TO: MUNICIPAL MANAGER DATE: 1988 APRIL 08  
FROM: DIRECTOR PLANNING & BUILDING INSPECTION  
SUBJECT: RENEWAL OF LEASE, LOTS 20 AND 21 BLK. 9 DL 122 NWD PL 1308  
4581 E. PENDER STREET, MCDONALD'S RESTAURANTS OF CANADA LTD.

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RECOMMENDATION:

1. THAT the lease be renewed on the terms outlined in this report.

R E P O R T

2.0 Introduction:

On 1988 March 07 Council considered a report dealing with the renewal of a lease for the Municipal property involved in the parking lot at 4575 - 4581 East Pender Street between the Corporation and McDonald's Restaurants of Canada Ltd. The subject properties are zoned P-8 and are used for parking purposes servicing the drive-in restaurant directly north at 4560 Hastings Street. (see attached Sketch #1)

After reviewing the report Council adopted the following motion:

"THAT this matter be referred to staff for a report providing information as to the parking requirements for the McDonald's Restaurant and whether or not these requirements could be met without the lease of municipal land, and further, outlining the long term implications of the lease requirements particularly in relationship to the development potential of the area."

3.0 General Discussion:

The response to Council's questions is as follows:

1. Parking Requirements for the McDonald's Restaurant

The existing McDonald's Drive-in Restaurant at 4560 Hastings Street currently has approval for a 128 seat restaurant which under the Zoning Bylaw generates a parking requirement of 26 parking spaces based on a ratio of one parking space per five seats.

Under the present arrangement parking spaces are accommodated as follows:

- 23 parking spaces located at 4560 Hasting Street (McDonald's Restaurant Site)

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- 1 loading space plus 47 parking spaces located in the parking lot developed by McDonald's on the properties at 4575 - 4581 Pender Street (P-8 parking lot)

The westerly portion of the Pender Street parking lot (Lot 72, 4575 Pender Street) is owned by McDonald's Restaurants of Canada Ltd. The easterly portion (Lot 20/21, 4581 Pender Street) is Municipally-owned and is the subject of the present lease renewal proposal. The McDonald's portion and the Corporation's portion each accommodate approximately half of the 47 spaces plus one loading space provided in the Pender Street lot.

In summary the minimum bylaw parking requirement is 26 spaces; 23 of these are situated on the restaurant site; the balance of 3 spaces are accommodated in the parking lot south of the lane which is partly owned by McDonald's and partly by the Corporation, along with a further 44 spaces that are voluntarily provided by McDonald's in this lot.

2. Can the parking requirements be met without the Lease of Municipal Land?

The answer to this question is yes. The minimum parking requirements of the Zoning Bylaw for the McDonald's restaurant can be satisfied on the lands owned by McDonald's and the restaurant site itself, without relying on the Lease of the Municipal land.

3. Long term Implications in Relation to the Development Potential Of the Area

With respect to the long term implications of the lease in relationship to the development potential of the area, this Department would confirm that no other public purpose has been identified for these Municipal lots, and that the use of these lots to provide supplementary off-street parking for restaurant staff and patrons is appropriate at this time and for the foreseeable future. The provision of the 44 spaces which are supplementary to the bylaw's minimum requirement is definitely beneficial from a planning point of view, as it reduces the likelihood of on-street customer parking which would produce a negative impact on residents in the immediate residential area.

It is considered however that the parking use should be related to the operation of the restaurant by a suitable condition in the lease agreement. To this end the Legal Department advises that it intends to include in the agreement a clause providing for termination of the lease upon one month's notice in the event that McDonald's Restaurants of Canada Ltd. discontinues the restaurant operation.

With reference to the concern expressed in Council discussion regarding the 20 year term of the lease, the Planning and Building Inspection Department would have no objection to reducing this to the 5 year term of previous leases, with a suitable provision for renewal. The Municipal Solicitor concurs in this position, in that it reflects the previous Leases granted to McDonald's.

RENEWAL OF LEASE - 4575 - 4581 E. PENDER STREET  
MCDONALD'S RESTAURANTS OF CANADA LTD.  
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In this regard the Legal Department on 1988 April 07 advised as follows:

"In response to the concern expressed by Council at its meeting of 1988 March 07 as to the length of the proposed lease term (20 years) we have re-negotiated the renewal of the lease on the following terms:

1. Term. Five years with an option to renew for a further period of five years.
2. Lease Rate. \$13,500 per annum paid in advance on the first day of March of each year.
3. All other terms and conditions remain the same."

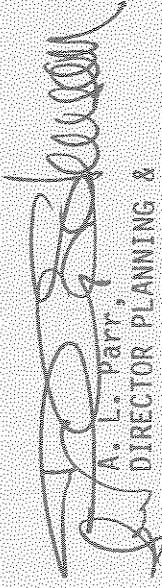
The rental rate for the initial five year period (\$13,500 per annum) is the same rate as that contemplated in the previous lease proposal.

4.0 Conclusion:

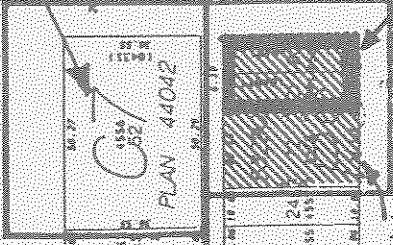
As long as the restaurant use continues, and as long as no alternative public use is identified for the subject property, it is considered beneficial to have supplemental off-street parking provided by McDonald's at their expense. To that end staff would recommend that Council approve a renewal of the lease for a five-year term with an option to renew for a further period of five years, in accordance with the terms outlined above.

*APL*  
JCU/ds

cc: Director Administrative & Community Services  
Director Finance  
Municipal Solicitor

  
A. L. Parr,  
DIRECTOR PLANNING &  
BUILDING INSPECTION

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**MCDONALD'S RESTAURANT**

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Date: 1988 MARCH 16.  
 Scale:  
 Drawn By:



**PROPOSED LEASE RENEWAL**  
**4581 PENDER ST. (LOTS 80+21)**

ZONING OVERLAY - PLANNING AND BUILDING INSPECTION DEPARTMENT

P3

L122

ALPHA AVE. 5725

BETA AVE. 5805

4581 PENDER ST.