

ITEM 12
MANAGER'S REPORT NO. 17
COUNCIL MEETING 88/03/07

RE: RENEWAL OF LEASE
LOTS 20 and 21, BLK 9, DL 122, PLAN 1308, NWD
4575 - 4581 EAST PENDER STREET (MCDONALD'S RESTAURANTS OF CANADA LTD.)

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

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

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TO: MUNICIPAL MANAGER MARCH 2, 1988
FROM: MUNICIPAL SOLICITOR
SUBJECT: RENEWAL OF LEASE
LOTS 20 AND 21, BLOCK 9, D.L. 122, N.W.D, PLAN 1308
4575 - 4581 EAST PENDER STREET
MCDONALD'S RESTAURANTS OF CANADA LTD.

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RECOMMENDATION:

THAT the lease be renewed on the terms outlined in this Report.

R E P O R T

Background

Council, at its meeting of April 29, 1968, authorized the lease of the subject property to be used as a parking lot servicing the drive-in restaurant facility fronting onto Hastings Street (see sketch attached).

We have continued to renew this lease, the most recent being from May 1983 to the 28th of February, 1988 yielding \$10,000 per annum paid in advance (8.33% return).

Current Situation

McDonald's Restaurants of Canada Ltd. has renewed its lease on the private property on Hastings Street. The new lease is for a period commencing March 1, 1988 and ending on February 29, 2008. We have received a request from McDonald's Restaurants of Canada Ltd. to renew the lease on both municipal lots that are presently leased for parking for a similar period of twenty years.

The Director Planning and Building Inspection has no objection to a matching lease of twenty years for the municipal lots.

Description of Municipal Property

Two lots each 33 feet x 122 feet, having a total area of 8,052

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square feet. Both lots are currently zoned P8 and have been developed by McDonald's for customer parking at no cost to the municipality.

Valuation

1988 Assessed Value

142

Land	\$112,300
Improvements	<u>3,750</u>
	\$116,050

As a parking lot the value of both lots is well supported at around \$18.00 per square feet or \$145,000, 20% higher than its value in 1983.


Negotiations

We have negotiated the renewal of the said lease on the following terms:

1. Term 20 Years commencing March 1, 1988 and ending on February 29, 2008.
2. That the lease rate shall be reviewed every five years throughout the term.
3. Rental rate for the first five years shall be \$13,500 per annum paid in advance on March 1 in each year commencing March 1, 1988.
4. That all other terms and conditions remain the same.

Conclusion

The negotiated lease will yield 9.3% return in the first year. Assuming we experience another 20% increase in the value of property the internal rate of return will be closer to 12.4% over the first five year term. We would, therefore, recommend acceptance.


 Patricia W. Fieger
 Municipal Solicitor

FAE:bi
 attach.

- cc: Director Administrative & Community Services
 Director Finance
 Director Engineering
 Director Planning & Building Inspection
 Director Recreation & Cultural Services

PLAN 44042

4554	4555	4556	4557	4558	4559	4560
13	14	15	16	17	18	19
20	21	22	23	24	25	26

PLAN 53220

4561	4562	4563	4564	4565	4566	4567	4568	4569	4570
27	28	29	30	31	32	33	34	35	36

PLAN 1308

4571	4572	4573	4574	4575	4576	4577	4578	4579	4580
37	38	39	40	41	42	43	44	45	46

PLAN 1308

4581	4582	4583	4584	4585	4586	4587	4588	4589	4590
47	48	49	50	51	52	53	54	55	56

PLAN 1308

4591	4592	4593	4594	4595	4596	4597	4598	4599	4600
57	58	59	60	61	62	63	64	65	66

PLAN 21728

4601	4602	4603	4604	4605	4606	4607	4608	4609	4610
67	68	69	70	71	72	73	74	75	76

PLAN 1308

4611	4612	4613	4614	4615	4616	4617	4618	4619	4620
77	78	79	80	81	82	83	84	85	86

PLAN 1308

4621	4622	4623	4624	4625	4626	4627	4628	4629	4630
87	88	89	90	91	92	93	94	95	96

PLAN 1308

4631	4632	4633	4634	4635	4636	4637	4638	4639	4640
97	98	99	100	101	102	103	104	105	106

PLAN 1308

4641	4642	4643	4644	4645	4646	4647	4648	4649	4650
107	108	109	110	111	112	113	114	115	116

PLAN 58639

4651	4652	4653	4654	4655	4656	4657	4658	4659	4660
117	118	119	120	121	122	123	124	125	126

PLAN 1308

4661	4662	4663	4664	4665	4666	4667	4668	4669	4670
127	128	129	130	131	132	133	134	135	136

PLAN 1308

4671	4672	4673	4674	4675	4676	4677	4678	4679	4680
137	138	139	140	141	142	143	144	145	146

PLAN 1308

4681	4682	4683	4684	4685	4686	4687	4688	4689	4690
147	148	149	150	151	152	153	154	155	156

PLAN 1308

4691	4692	4693	4694	4695	4696	4697	4698	4699	4700
157	158	159	160	161	162	163	164	165	166

HASTINGS ST. 0700

PENDER ST.

FRANCES ST. 0740

GEORGIA ST. 0780

GAMMA AVE. 5875

BETA AVE. 5805

0400

4600

Subtract

Mc DONALD'S RESTAURANT

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4701	4702	4703	4704	4705	4706	4707	4708	4709	4710
167	168	169	170	171	172	173	174	175	176

4711	4712	4713	4714	4715	4716	4717	4718	4719	4720
177	178	179	180	181	182	183	184	185	186

