

REGIONAL MUNICIPALITY OF OTTAWA CARLETON
 MUNICIPALITÉ RÉGIONALE D'OTTAWA CARLETON

REPORT
 RAPPORT

Our File/N/Réf. **12 18-96-70038-000**

DATE 12 December 1997

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Planning and Development Approvals Commissioner

SUBJECT/OBJET **LEASE OF VACANT LAND
 CORNER OF BASELINE AND WOODROFFE ROAD
 CITIES OF OTTAWA AND NEPEAN**

DEPARTMENTAL RECOMMENDATIONS

That Corporate Services and Economic Development Committee approve the lease of approximately 1.19 acres of vacant land being part of Lot 35, Concession 2, Rideau Front, Township of Nepean, to Terence John Whitty-In Trust at an annual rent of \$60,000.00 pursuant to a Lease Agreement that has been received.

BACKGROUND

In 1990, the Region acquired several parcels of land to accommodate the Woodroffe Avenue reconstruction at the intersection of Baseline Road. Construction of the road work was completed and the subject property along with contiguous lands were deemed surplus to Regional needs. Several individuals expressed an interest in either acquiring or leasing the property.

As all of the lands at the south-east corner of Woodroffe and Baseline will undergo redevelopment,. it was agreed by the Region and City of Nepean's planning staff that it would be in the best interests of all concerned to lease rather than sell the property. This approach will both protect future development options and allow the Region to generate revenue in the short term. The City of Nepean is agreeable to the immediate development of the northerly portion of the property only. The development of the southerly portion will require additional study.

DISCUSSION

The overall site containing 2.5 acres is located at the south-east corner of Woodroffe Avenue and Baseline Road. The subject of this report is the northerly 1.19 acres. It is basically rectangular in shape, surrounded by roads and may be considered as an island. The parcel is vacant and relatively flat, with the southerly boundary being above road grade. Access to the site is via old Woodroffe Avenue which forms the easterly boundary. The current zoning designation of the property is I-Institutional and G1-Government. Discussion with Regional and City planning staff confirmed that the most appropriate use of the subject property is Commercial. Rezoning will be required.

At the moment there are uncertainties surrounding the redevelopment of Shoppers City West and traffic patterns in the area. By leasing the subject lands, we are able to generate a rental revenue, tax revenue and provide employment opportunities. At the same time, we retain ownership of the site which will enable us to work with the proponents of Shoppers city West to develop a long term solution to land use and transportation issues.

We were approached by a group that was interested in developing a family style restaurant on the site. Mr. Whitty, representing Canadian Diners (1995) Limited Partnership, presented a proposal to develop a Perkins Family Restaurant. He is agreeable to leasing on a long term basis rather than purchasing the site. The construction of a family style restaurant at this location is consistent with the overall development in this area. We were approached by a number of realtors, but only received an offer from the Whitty consortium.

The market rent was estimated by an independent appraiser and the offer to lease is in accordance with the appraisal report. The terms of the proposed lease are as follows:

- Lessee to pay minimum rent in the amount of \$5,000 per month (\$60,000 per annum)
- Rent to increase annually based on any increase on the Cost of Living Allowance as provided by Statistics Canada.
- Every five (5) years the minimum rent is to be reviewed and adjusted according an appraisal of the fair market rent
- Initial term of the Lease will be twenty (20) years, with an option to renew for an additional twenty (20) years .
- Tenancy to be on a absolute net basis with the tenant to pay any and all costs, including taxes, associated with its tenancy.
- Lessee to obtain any and all required zoning and permits at its expense.

In addition to the ongoing rental income and tax revenues, the development of this site together with the creation of 150 new jobs, will provide an economic boost to the community. We feel that this proposal offers the advantages of economic development as well as preserving our ability to develop a long term solution at this location. Approval is recommended.

CONSULTATION

The leasing of the subject property is in accordance with existing policies. The local municipality has been advised of the Region's intention. No further public consultation is required.

FINANCIAL STATEMENT

This transaction represents a minimum annual revenue of \$60,000 to the Corporation.

The offer to lease is considered to be fair and reasonable and is recommended for acceptance

Approved by Nick Tunnacliffe, MCIP, RPP

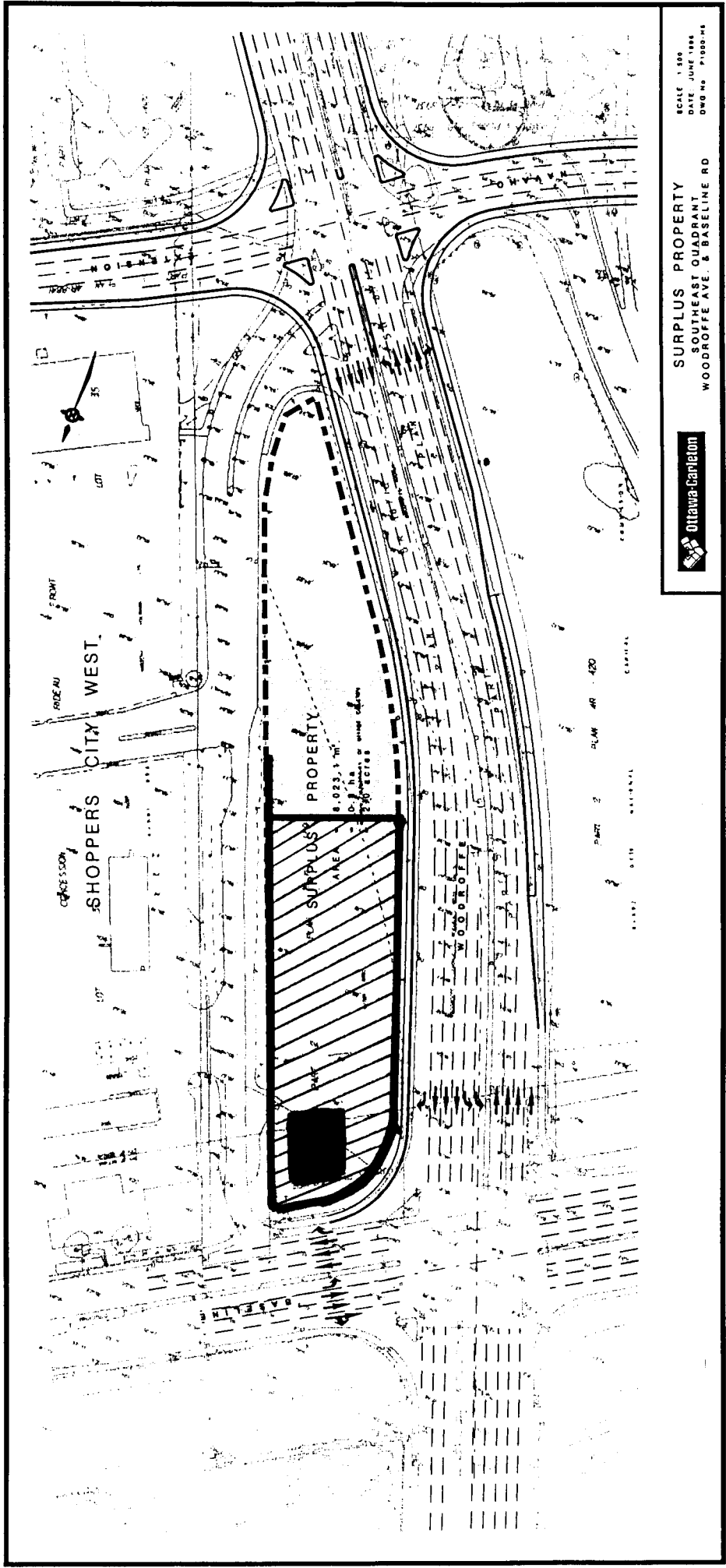
LJN/

FINANCE COMMENT

Proceeds from the sale of this property will be credited to Account No. 011-19909-7005.

*Approved by C. Colaiacovo
on behalf of the Finance Commissioner*

Attach. (1)



SCALE 1:500
 DATE JUNE 1988
 DWG NO P1000-14

SURPLUS PROPERTY
 SOUTHEAST QUADRANT
 WOODROFFE AVE & BASELINE RD

