

REGIONAL MUNICIPALITY OF OTTAWA CARLETON
 MUNICIPALITÉ RÉGIONALE D'OTTAWA CARLETON

REPORT
 RAPPORT

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

DATE 26 February 1998

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

FROM/EXP. Commissioner,
 Planning and Development Approvals Department

SUBJECT/OBJET **LAND LEASE - BASELINE AND WOODROFFE**

DEPARTMENTAL RECOMMENDATION

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, pursuant to an Offer to Lease that has been received, conditional on the Lessee obtaining the required zoning and all necessary approvals from the Cities of Ottawa and Nepean.

BACKGROUND

The subject property consists of a vacant parcel located between existing and old Woodroffe Avenues, immediately south of Baseline Road in the Cities of Ottawa and Nepean. The Region owns approximately 2.5 acres of land in this location. It is the northerly 1.19 acres only, which is the subject of this report (see sketch attached as Annex A).

Surrounding developments consists of the Shoppers City West mall located east of old Woodroffe Avenue and to the west, the Region's Transitway then Centrepointe which was developed by CMHC and Minto. The subject lands were acquired through the planning process, from CMHC as part of the development of Centrepointe. They are not required by the Region for further expansion of transportation infrastructure in this location.

Old Woodroffe Avenue located on the east side of the subject property serves as an entranceway to Shoppers City West, both from Woodroffe and from Baseline Road. The Shoppers City property is an ageing development subject to a lease due to expire in the year 2001. The owners intend to re-develop the site upon expiration of the lease. They are attempting to advance the timing of that event. In the longer term, it is our view that the ultimate disposition of all of the land to the east of the existing Woodroffe Avenue right-of-way, should be consolidated with Shoppers City West.

Other Issues

Through its solicitors, Shoppers City West has asked that the surplus property between old and existing Woodroffe Avenues be conveyed to them as it had originally been part of a property owned by family members and expropriated by the Government of Canada in the mid-1950's. The Legal Department has reviewed this claim and find it has no merit.

Minto Developments has advanced the argument that lands between old and existing Woodroffe Avenue, having been conveyed to the Region as part of the planning process associated with the Centrepointe Development, should either be returned to Minto or any revenues generated returned to Minto. This claim is the subject of an *in camera* report from the Legal Department.

DISCUSSION

The Region has been approached by a group representing Perkins Family Restaurants with a proposal to develop a family restaurant on the subject property. They had initially inquired as to the possibility of purchasing the property for that purpose. Notwithstanding the fact that it may be an independently viable site, we felt that the most appropriate long term ownership objective should be the aforementioned consolidation with Shoppers City West. We indicated that what we were prepared to consider was a lease arrangement which would facilitate development of this site, keeping in mind that ultimate ownership would probably rest with Shoppers City West. Negotiations were completed with the Perkins group.

The terms of the proposal submitted by the Perkins Group 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.

The City of Nepean was contacted with respect to its concerns. The idea of a restaurant in this location was not inconsistent with their thoughts on an overall development. They asked that any proposal ensure that the location of the building be as far north as possible in order to maximize opportunities for more intensive land uses to the south of the subject property.

At this stage, the City of Nepean has acknowledged only that this proposal may be consistent with an overall development of the site. The boundary between Ottawa and Nepean is located just south of Baseline Road. A rezoning will be required in both municipalities. The Perkins proposal is conditional on the proponent obtaining all necessary municipal approvals.

In addition to the ongoing rental income and tax revenues, the development of this site will create approximately 150 new jobs. At the same time, the longer term development of Shoppers City West can be accommodated. We feel that this proposal offers the advantage of allowing development to proceed as well as preserving our ability to develop a long term solution at this location.

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

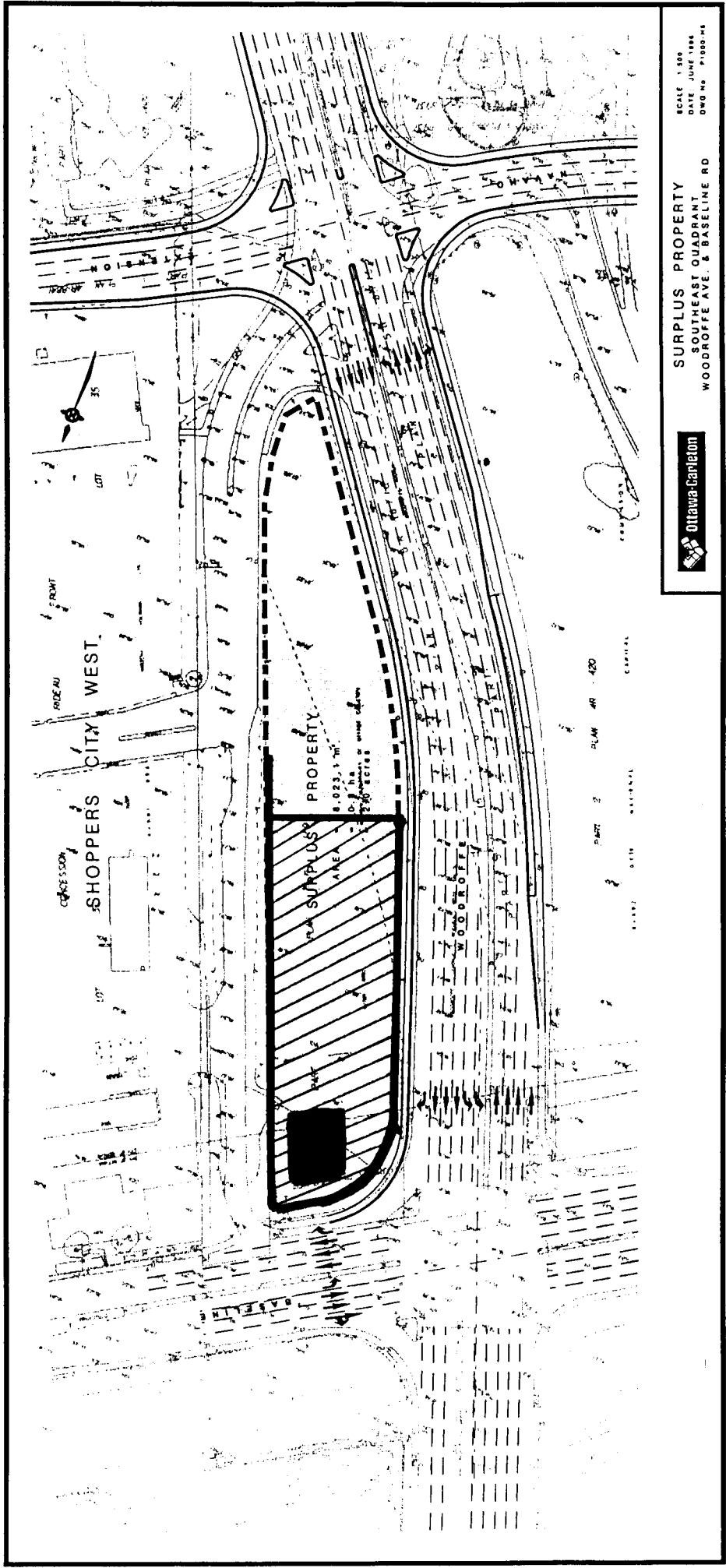
Approved by Robert W. T. Ennor for Nick Tunnacliffe, MCIP, RPP

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*



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

SURPLUS PROPERTY
 SOUTHEAST QUADRANT
 WOODROFFE AVE. & BASELINE RD.

