



Proposed Lease Amendment (Manchester) – Ward 09 5327, 5333 & 5337 2 ST SW IP2023-0631

2023 June 07

For Public Release

Date: 2025-09-15
Dept: Infrastructure Services

Administration's Recommendations

That the Infrastructure and Planning Committee recommends that Council:

1. Authorize the Recommendations as outlined in Attachment 3; and
2. Direct that the Closed Meeting discussions, report, and attachments remain confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the Freedom of Information and Protection of Privacy Act until the lease amending agreement has been executed.

Previous Council Direction


LAS2006-141


- PROPOSED LEASE, LICENSE AND OPTION TO PURCHASE; MANCHESTER - WARD 9 (ALD. CECI); FILE NO: 5327, 5333 & 5337 2 STREET SW (AD)
- SUMMARY/ISSUE: Lease, Option to Purchase and License of Property.
- ADMINISTRATION RECOMMENDATIONS:
 1. That the Land and Asset Strategy Committee recommend that Council approve the Lease, Option to Purchase and License recommendations.
 2. That the Recommendation and Report remain confidential under Section 25(1) of the Freedom of Information and Protection of Privacy Act until the Report is published in the Agenda for the 2006 November 13 Regular Meeting of Council.
- COMMITTEE RECOMMENDATION
 - That the Administration Recommendations contained in Report LAS2006-141 be approved.
 - Moved by Alderman Farrell, Seconded by Alderman Chabot, that the Land and Asset Strategy Committee Recommendation contained in Report LAS2006-141 be adopted.



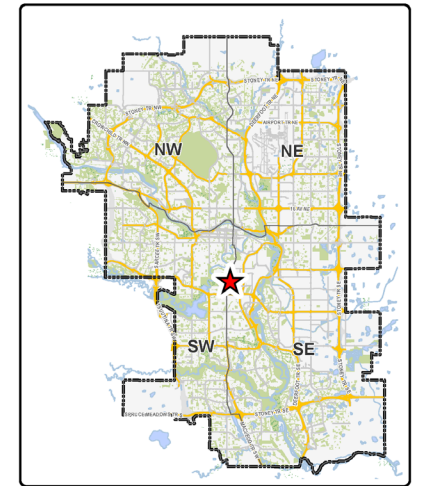
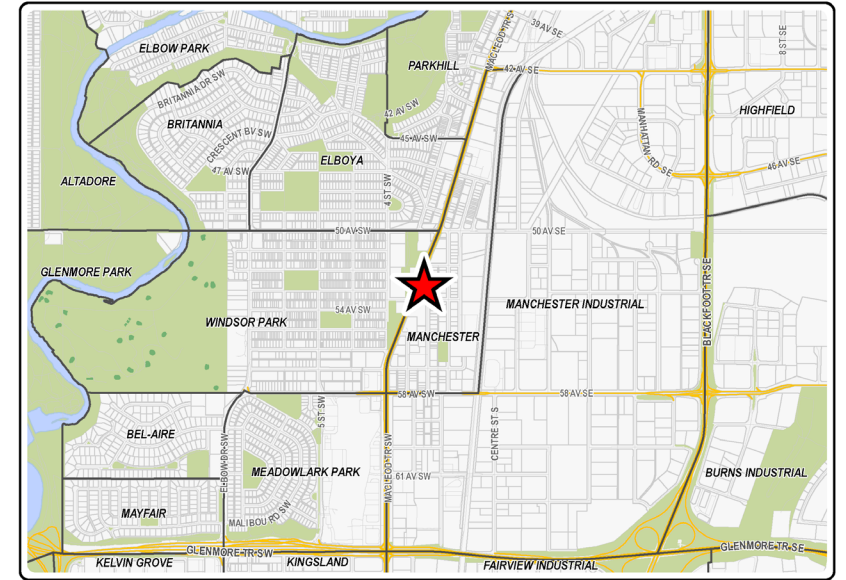
**5327, 5333 &
5337 2 ST
SW**



 Property
± 1,666.380 m² (± 17,936.70 ft²)

 City-Owned Land

5327, 5333 & 5337 2 ST SW



Legend

 Property
5327-5337 2 ST SW

NOT TO SCALE



5327, 5333, 5337 2 ST SW



- The Subject Property is located north of 53 AV SW and east of Macleod TR SW in the community of Manchester.
- The Subject Property totals approximately 1,666 square metres (or appx. 18,000 square feet).
- These lots were purchased by The City in 1973 for future Macleod Trail road widening.

Background

- The Tenant o/a Stampede Boot & Clothing Co., has been occupying the site since 2006 operating a retail business, selling clothing & footwear and providing shoe repair services. They own the adjacent lot to the south.
- In 2006, the Tenant responded to a public offering for lease and license.
- That same year, the Tenant and The City agreed to fundamental terms and conditions of a lease and license agreement by way of a non-binding proposal. Council authorized administration's recommendations contained in the proposal which included three main elements:
 1. a license of occupation for the section of land that might be required for future road widening;
 2. a ground lease on the remaining section of the property; and
 3. an option to purchase the lease lands should they ever be deemed surplus by The City.

Background cont'd.

- In 2007, the Tenant constructed a retail building on the Property with the understanding that the terms of the executed proposal would be incorporated into a binding lease agreement, including an option to purchase the Property at market value should it ever be declared surplus by The City.
- It wasn't until 2016 when a ground lease was finally executed for all three lots. The lease did NOT include the option to purchase as originally agreed to.
- The Tenant has requested that the Lease be amended to include the option to purchase as originally agreed to in 2006.
- A new functional study is underway along the 50th Avenue SE corridor. The Subject Property lies within the study area, so no disposition is possible at this time.

Details of the Proposed Lease Amendment

The Tenant shall have the one-time option to purchase the Property or any portion thereof, on the following terms and conditions:

1. The Option shall apply to all or any portion of the Property declared to be surplus by the Landlord and not required for Municipal Purposes in the Landlord's sole discretion (the "Option Area").
2. The Landlord may provide notice to the Tenant at any time during the Lease Term or any Extension Term that it has declared the Option Area as surplus (the "Option Notice").
3. The Tenant may exercise its Option to Purchase within 90 days of the Option Notice after which time, the Option to Purchase will terminate.
4. The Landlord will obtain a third-party appraisal to determine fair market value of the Option Area. The purchase price shall be based on the appraised value.
5. Both parties agree to close the sale of the Option Area within 90 days following the Tenant's exercise of the Option to Purchase

Details of the Proposed Lease Amendment, cont'd.

6. The Landlord shall prepare and submit for registration the road plan on or before the Closing Date for the portion of the Property that is not declared surplus.
7. If the Tenant exercises its Option to Purchase and fails to close the sale, any costs related to the sale of the Option Area to the Tenant incurred by the Landlord up until that point shall be reimbursed by the Tenant.
8. The Option to Purchase will terminate upon expiry or earlier termination of the Lease.
9. Any transfer of the Tenant's interest in the Lease will automatically terminate the Option to Purchase.

Administration's Recommendations

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