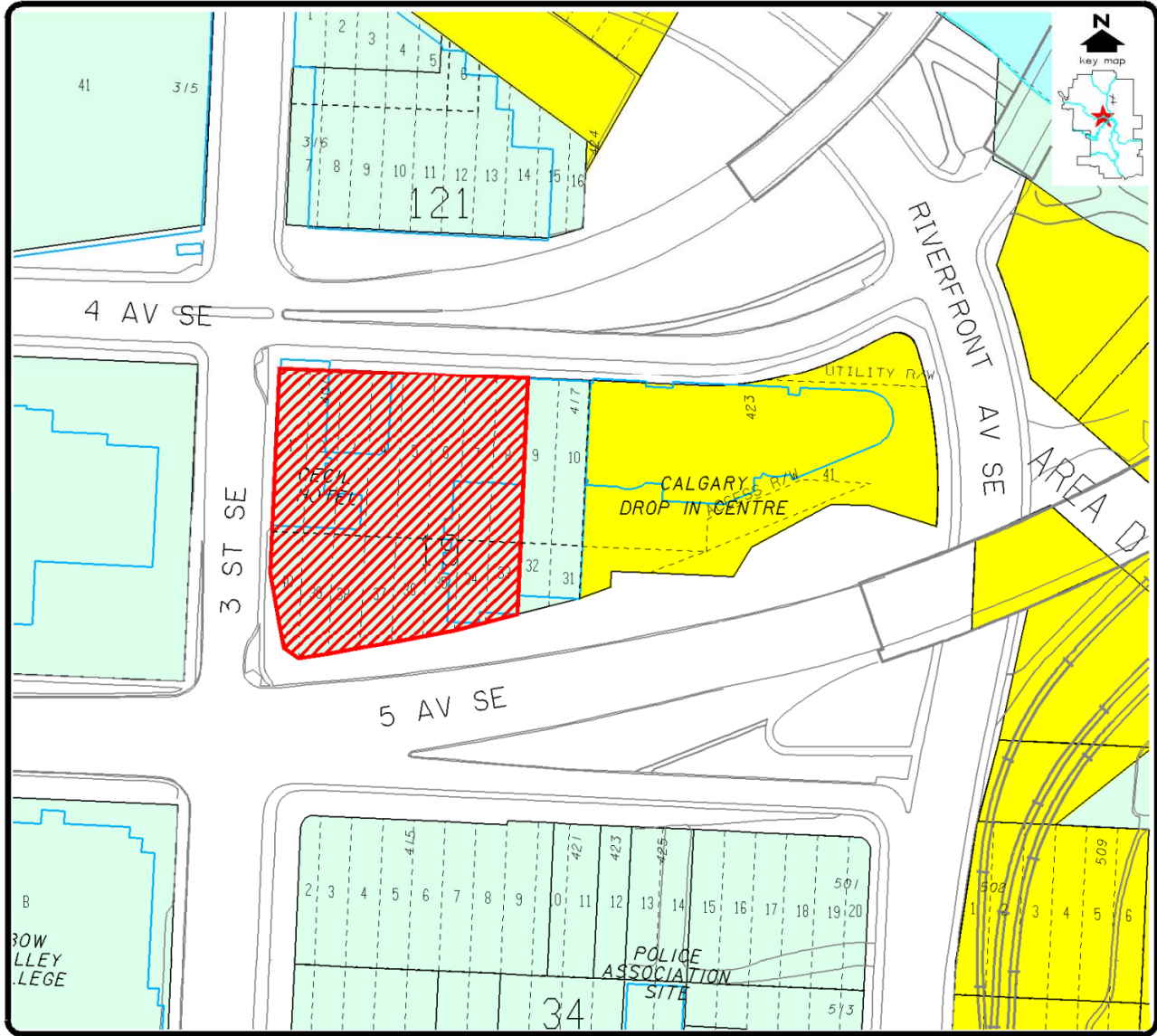


**LAS2008-188
ATTACHMENT 1**



File No.: 401 4 AV SE (JL)



Subject Area



City Owned Lands

RECOMMENDATIONS:

(1) That the Land and Asset Strategy Committee recommend that Council authorize the proposed purchase subject to the following fundamental terms and conditions:

(a) PROPERTY:

PLAN "C"
BLOCK 19
LOTS 1 TO 8 INCLUSIVE
LOTS 33 TO 40 INCLUSIVE
EXCEPTING THEREOUT:
A) OUT OF LOTS 33 AND 34 THE ROAD WIDENING
ON PLAN 1802LK
B) OUT OF LOTS 35 TO 40 INCLUSIVE (AS TO SURFACE ONLY)
ROAD WIDENING ON PLAN 1802 LK
C) OUT OF LOTS 1 TO 8 INCLUSIVE (AS TO SURFACE ONLY) ROAD
WIDENING ON PLAN 891 1591

EXCEPTING THEREOUT ALL MINES AND MINERALS
OUT OF LOT 33 AND 34 ONLY
Together with buildings and improvements.

Municipally known as 401 4 AV SE

(b) PARTIES:

Vendor: Lesam Hotels Ltd.
Purchaser: The City of Calgary

(c) CONSIDERATION:

\$10,653,855.00 payable on the Closing Date

(d) CLOSING DATE/POSSESSION/ADJUSTMENT DATE:

2009 February 27

(e) CONDITIONS PRECEDENT:

(i) The Purchaser to obtain a satisfactory Environmental Site

Assessment 30 days prior to the Closing Date.

- (ii) The Vendor to negotiate the termination of all leases, licenses, and tenancies in respect of the Property (including the buildings thereon) at least 14 days prior to the Closing Date.

(f) SPECIAL TERMS AND CONDITIONS:

- (i) The Vendor to terminate all management service, operating agreements and to be responsible for the removal of all VLT's at the Vendor's cost by the Closing Date.
- (ii) Upon receipt of invoices the Purchaser to reimburse the Vendor for reasonable legal fees in connection with the negotiation, finalization, execution and completion of the transaction, such fees not to exceed \$20,000.00 inclusive of G.S.T. and disbursements.
- (iii) The Purchaser to reimburse the Vendor for reasonable costs of the real estate appraisal to date, such amount not to exceed \$7,500.00 (inclusive of G.S.T.)
- (iv) There will be no adjustments to the Consideration based on the presence of easements or rights of ways registered against the title, or for any encroachments on or affecting the property.
- (v) The Vendor shall be permitted to remove from the Property and retain at no cost to the Vendor all equipment, signage and trade and business fixtures owned by the Vendor on the Closing Date.
- (vi) In the event City Council does not approve the proposed acquisition of the Property, the Purchaser, upon receipt of invoices, shall reimburse the Vendor for its reasonable legal costs incurred to 2008 December 15, (such costs not to exceed \$10,000.00 inclusive of G.S.T. and disbursements) and its reasonable costs of real estate appraisal (such costs not to exceed \$7,500.00 inclusive of G.S.T.)

(vii) Permitted Encumbrances:

Date:	Instrument No:	Description:
19/10/1933	7775EK	Easement
06/04/1990	901 088 233	Caveat
13/05/1992	921 111 159	Caveat
13/05/1992	921 111 160	Caveat
01/06/1992	921 128 173	Caveat
01/06/1992	921 128 174	Caveat
08/09/1992	921 222 222	Caveat

- (2) That the Land and Asset Strategy Committee recommend that Council authorize the letting of tenders for the demolition or removal of the improvements on the Property.
- (3) That the Land and Asset Strategy Committee recommend that Council receive for information that there is an additional cost of \$218,077.00 for Corporate Properties & Buildings acquisition fees.

SUMMARY OF ADDITIONAL PROPERTY INFORMATION

SITE DETAILS FOR: 401 4 AV SE

Land:

Area: 3,959.1 sq. m.
(42,615.42 sq. ft.)

Topography: Level

L.U. Designation: DC DIRECT
CONTROL DISTRICT # 94z2005
Mixed use 7.0 FAR building density.

Improvements:

Type: Hotel Beverage
Size: 20,144 sq. ft. on three
Levels plus
5,289 sq. ft. of
Commercial building
and detached Liquor
store.

Age: Constructed in 1912

Assessment:

Roll No: 201020492
Property: \$8,510,000.00
Assessment Comments: The
assessment reflects a valuation date of
2007 July 01.

Taxes:

Current Year: \$96,239.59
Arrears:
L.I. Levy:

GROSS COST OF THE PURCHASE:

\$10,653,855.00 **Purchase Price**
\$ 218,077.00 **Acquisition Fee**
\$10,871,932.00 **Gross Cost of**
Purchase

Unit Value: \$250.00/sq. ft. of site
area

This report and the resulting decision are solely recommendations and authorizations communicated between the Administration. It is not intended to provide representations or warranties to be acted upon by any other party or to be deemed or construed as an offer and an acceptance by The City.

**COMPARABLE DATA CHART
LAND SALES**

Index	Address	Site Area	Land Use	Date of Sale (mm/yy)	Sale Price	Land Area \$/Site Area	Comments
Subject	401 4 AV SE	42,615.42	DC DIRECT CONTROL DISTRICT DC # 94Z2005 Mixed use – Medium Density	February 27, 2009	\$10,635,855.00	250.00/sq. ft.*	Corner site – 225' frontage on 3rd St. SE & 200' frontage on 4th and 5th Avenue SE Located within the East Village Downtown District F.A.R.-7.
1	214, 218 – 11 th Avenue SW Plan A, Block 68, Lots 25 and 32	26,041 sq. ft.	DC # 72Z84 Mixed use potential	October 2008	\$10,135,000.00	389.19/sq. ft.	Located in the Beltline, property has been conditionally sold close to the asking price of \$10,135,000.00. Surface parking lot previously sold June 2006 for \$5,015,000.00 or \$137.77/sq. ft. F.A.R.-8.
2	509, 511 & 513 – 6 th Avenue SE Plan A, Block 38, Lots 4-7	13,013 sq. ft.	DC# 93Z2005/B1 Mixed use Residential	May 2008	\$2,340,000.00	\$139.82	Surface parking lot in the East Village. South side 6 th Avenue between 4 th and 5 th Street SE. Calgary Municipal Land Corporation purchased from COPEZ Properties. Base density is 5.65 F.A.R. which can be increased to 11.65 F.A.R.
3	529 – 5 th Avenue SE Plan C, Block 35, Lots 15 and 16	6,868 sq. ft.	DC# 92Z2005/A3 Mixed use Residential	March 2008	\$1,200,000.00	\$174.72/sq. ft.	Vacant land in the East Village – South side of 5 th Avenue in between 4 th and 5 th Streets SE. Purchased by Calgary Municipal Land Corporation. Base Density is 5.65 F.A.R.

Index	Address	Site Area	Land Use	Date of Sale (mm/yy)	Sale Price	Land Area \$/Site Area	Comments
							which can be increased to 11.65 F.A.R.
4	1117 Macleod Trail SE Plan C, Block 80, Lots 21-28	25,897	DC# 72Z8 4/Mixed use	June 2007	\$7,535,000.00	\$290.96/ sq. ft.	Single storey commercial development situated in Victoria Park community – considered a redevelopment site, northwest corner of 12 th Avenue and Macleod Trail SE. Base density is 8 F.A.R.
5	606, 610, 620, 624, 626 and 628 – 12 th Avenue SE Plan C, Block 76, portions of Lots 27- 41	53,410 sq. ft.	DC# 33Z84/RM-7 Residential High Density District	June 2007	\$10,300,000.00	\$192.84/ sq. ft.	Most of the land is vacant with a few residential dwellings on site. Located in Victoria Park community, the area is under going rejuvenation as the result of high degree of development. Purchased by TRL Real Estate Syndicate. Base density 5 F.A.R. can be increased to 9 F.A.R.
6	204 – 10 Avenue SE Plan 1423LK, Block 4	19,788 sq. ft.	DC# 53Z95 High Density District	February 2007	\$4,310,000.00	\$217.80/ sq. ft.	Surface parking lot located in the east end Beltline district in the Victoria Park community. Land backs onto a CP rail line and is surrounded by low to medium density office and commercial buildings. Base density of 8 F.A.R.
7	1013 – 1035 – 5 th Avenue SW Plan A1, Block 25, Lots 3-14 and portion of Lot 15	39,900 sq. ft.	DC# 47Z92, 48Z92 46Z86 and RM-7	November 2006	\$14,500,000.00		Large redevelopment parcel at the west end of the downtown district. Mid-block on the south side of 5 th Avenue between 9 th and 10 th Street SW. Planned 317 unit tower condominium complex. Density 7 F.A.R.

*Estimate based on internal valuation or independent appraisal