Report – Executive Policy Committee – July 13, 2005

Item No. 2 Brooklands Pioneer Citizens Club - 1960 William Avenue West - Amendment to the Lease Agreement
File FI-2.2(31)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 13, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That the Lease Agreement between the City and the Brooklands Pioneer Citizens Club be amended by revising Clause 3 dealing with the requirement to pay realty taxes.

2. That pursuant to Subsection 11(2.1) of The Municipal Assessment Act, the Community Groups Occupying City-owned Facilities By-law No. 89/2005 be amended to add the Brooklands Pioneer Citizens Club at 1960 William Avenue West.

3. That the 2005 realty taxes, other than local improvements, for the subject occupancy be cancelled pursuant to the Section 347 of The City of Winnipeg Charter.

4. That the City Assessor be requested to amend the 2005 Assessment Roll pursuant to Section 14(2) of the Manitoba Municipal Assessment Roll.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Executive Policy Committee – July 13, 2005

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 13, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 5, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and recommends to the Executive Policy Committee:

1. That the Lease Agreement between the City and the Brooklands Pioneer Citizens Club be amended by revising Clause 3 dealing with the requirement to pay realty taxes.

2. That pursuant to Subsection 11(2.1) of The Municipal Assessment Act, the Community Groups Occupying City-owned Facilities By-law No. 89/2005 be amended to add the Brooklands Pioneer Citizens Club at 1960 William Avenue West.

3. That the 2005 realty taxes, other than local improvements, for the subject occupancy be cancelled pursuant to the Section 347 of The City of Winnipeg Charter.

4. That the City Assessor be requested to amend the 2005 Assessment Roll pursuant to Section 14(2) of the Manitoba Municipal Assessment Roll.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Re: **Brooklands Pioneer Citizens Club – 1960 William Avenue – Proposed Amendment to the Lease Agreement**

For submission to: **Standing Policy Committee on Property and Development**

Original report signed by: **Director of Planning, Property and Development**

Report date: June 28, 2005

Recommendation(s):

1. That the Lease Agreement between the City and the Brooklands Pioneer Citizens Club be amended by revising Clause 3 dealing with the requirement to pay realty taxes.
2. That Council amend By-law 89/2005 by adding the subject occupancy to the Non Profit Community Groups Occupying City-owned Property List.
3. That Council cancel the 2005 realty taxes, other than local improvements, for the subject occupancy pursuant to s. 347 of the City of Winnipeg Charter.
4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

Key Issues:

- The City leased the subject land to the Brooklands Pioneer Citizens Club Inc. (BPCC) for the purpose of establishing a Seniors Centre by Agreement dated January 12, 1982.

- The BPCC has been operating at this location for approximately 23 years and provides seniors programming to approximately 85 seniors in the Brooklands Community.

- BPCC signed the Lease Agreement with the City (Real Estate) in 1982 and agreed to be responsible for the payment of realty taxes. The City's Non-Profit Policy was to have the Tenant pay $1.00 for rent, plus realty taxes.

- Pursuant to By-law 89/2005, eight (8) other senior centre organizations occupying City-owned buildings in the City are not required to pay realty taxes pursuant to arrangements with the former Department. At its meeting held on May 18, 2005, Council adopted the recommendation of the Standing Policy Committee dated May 3, 2005 to add the Good Neighbours Senior Centre occupancy to By-law 89/2005.
- In order to provide equity with other senior centre occupiers, the Administration is supportive of amending the By-law by adding the Brooklands Pioneer Senior Citizens Club Inc. to the Non Profit Community Groups Occupying City-owned Property List should Council concur.

Implications of the Recommendation(s):

General implications:

	None
X	For the organization overall and/or for other departments
X	**For the community and/or organizations external to the City of Winnipeg**
	Involves a multi-year contract

Comment(s):

- At its meeting on April 27, 2005, Council enacted By-law 89/2005 to exempt non-profit community groups operating community centres in City-owned properties.
- The existing realty tax treatment of the BPCC is not in keeping with the realty tax practise associated with other senior centres. As such, this report is attempting to regularize consistent realty tax treatment amongst senior centres occupying City-owned facilities.

Policy implications:

	No
X	**Yes**

Comment(s):

- The By-law 89/2005 to exempt non-profit community groups from realty taxes will provide for consistency in the tax treatment of non-profit seniors centres.

Environmental implications:

X	**No**
	Yes

Comment(s):

-

Human resources implications:

X	**No**
	Yes

Comment(s):

-

Financial implications:

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment(s):

- By approval of this report, the Assessment Roll for 2005 and beyond would be amended to eliminate the liability for realty taxes at this location resulting in the loss of $2,425.72 per year, plus GST.

REASON FOR THE REPORT:

By precedent, long term commitments for leases of city-owned lands, which may impact future budgets, were subject to Council consideration.

With respect to Recommendation No. 2 which states:

> "That Council amend By-law 89/2005 by adding the subject occupancy to the Non Profit Community Groups Occupying City-owned Property List"

The Executive Policy Committee must approve the addition of the Brooklands Pioneer Senior Citizens Club Inc. occupancy to the Non-Profit Community Group Occupying City-owned Property By-law list. If approved, the request would be forwarded to Council for its consideration and approval.

HISTORY:

At its meeting held on June 19, 1981, the Committee on Finance and Administration approved the acquisition of property located at 1960 William Avenue and the demolition of the building located on the land.

At its meeting held on January 12, 1982, the Committee on Finance and Administration approved the lease of the City-owned land at 1960 William Avenue in favour of the Brooklands Pioneer Senior Citizens Club Inc. for a term of fifty years commencing on the completion of the construction of the Seniors Centre at an annual rental of $1.00 plus an amount equivalent to realty taxes.

The particulars of the property and "Leasehold Title" are as follows:

Owner:	City
Tenant:	Brooklands Pioneer Senior Citizens Club Inc.
Location:	1960 William Avenue
Purpose:	Senior Centre Programming
CT:	1791353
Zoning:	R1 – 5A
Assessment:	$115,800
Building Desc:	One-storey wood frame multi purpose building
Term:	Fifty years (50) years commencing at the completion of construction
Rent:	$1.00 plus annual realty taxes
Tenant Resp:	To pay all operating costs, realty taxes, caretaking, utility, insurance, maintenance and repair
City Resp:	To approve any structural repairs/ replacements
Termination:	On default

Between early 2003 and June 28, 2004, the Administration initiated discussions with the Province of Manitoba regarding the taxation of Non-Profit Occupiers of City-owned community

centers and other community facilities in the City. On June 28, 2004, the Manitoba Municipal Assessment Act was amended to provide an exemption from realty taxes to such groups if the municipality enacted a by-law to that effect.

At its meeting held on April 27, 2005, Council approved By-law 89/2005 to exempt non-profit community groups from the liability to pay realty taxes.

At its meeting held on May 3, 2005, the Standing Policy Committee on Property and Development approved the recommendations of an administrative report from the Planning, Property and Development Department to add the Good Neighbours Seniors Centre Inc.'s occupancy of 755 Henderson Highway, to By-law 89/2005. At its meeting held on May 18, 2005, Council adopted the recommendation of the Standing Policy Committee on Property and Development.

DISCUSSION:

Seniors Centres:

Over the past twenty-five years, the City has entered into arrangements with various Seniors Groups to provide city-owned facilities for senior center programming purposes. As well, the City entered into lease agreements with the Winnipeg No.1 School Division (Elmwood EK Seniors) and the St Boniface School Division (Prendergast Seniors) to utilize school buildings for senior centers. The Centres have been developed on an ad-hoc basis outside of an established Council policy for senior centre development. This would normally include a formal needs assessment, development criteria, standardized terms and conditions for agreement, identification of senior centre and City responsibilities and determination of operating funds for each location.

Notwithstanding the above, there are ten (10) Seniors Centres operating in the City at the following locations: (1) Golden Rules – 625 Osborne (2) Brooklands Pioneer – 1960 William Avenue (3) Dufferin Seniors – 377 Dufferin (4) North Centennial Seniors – 86 Sinclair Street (5) Good Neighbours – 755 Henderson Highway (6) Elmwood EK Seniors –180 Poplar Avenue (7) Transcona Seniors Centre – 328 Whittier (8) Club Eclispe – 255 Rue de la Cathedrale (9) Charleswood Seniors – 5006 Roblin and (10) Prendergast Seniors – 906 Cottonwood Drive.

A summary of current occupancies, programming and existing responsibilities is attached as Schedule "A". As identified in Schedule "A", there is a wide range of arrangements at each of the locations, which needs to be reviewed and coordinated into a senior center policy and standardized terms and conditions of agreement. This will be the subject of a separate report. The Planning, Property and Development Department have reviewed this matter with the Public Works and Community Services Departments. The Department is prepared to develop terms and conditions for senior center occupancies once a policy has been developed. This will allow for the completion of formal occupancy agreements at each of these locations without creating a requirement to pay realty taxes.

With respect to the requirement to pay realty taxes, it should be noted that the Brooklands Pioneer Citizens Club is the only senior centre organization that is currently required to pay realty taxes pursuant to its agreement with the City.

Brooklands Pioneer Senior Citizens Club Inc.:
The Brooklands Pioneer Senior Citizens Club Inc. has occupied land located at 1960 William Avenue since January 12, 1982. A new +/- 3,100 sq.ft. building was constructed in 1982 on this site under the Neighbourhood Improvement Program. Currently, the BPSC has a membership of approximately 85 seniors.

The Department recommends to Council the following proposed plan of action:

1. That Council amend By-law 89/2005 by adding the subject occupancy to the Non Profit Community Groups Occupying City-owned Property List.
2. Amend the Lease Agreement between the City and the Brooklands Pioneer Citizens Club Inc. dated January 12, 1982 by amending Clause 3, so as to eliminate the requirement to pay realty taxes.

Council has approved a list of eight (8) community centers and community groups for a by-law exemption. Following the adoption of the list, Council subsequently added the Good Neighbours Senior Centre occupancy to the list. . As such, it is recommended that the Brooklands Pioneer Senior Citizens Club Inc.'s occupancy be added to the by-law list. By moving forward with these recommendations, greater equity amongst the ten (10) Senior Centres will be achieved.
In a separate but related matter, the Brookland Pioneer Senior Citizens Club Inc. approached the City regarding the need to repair the roof on the building. The cost of the repair is estimated at $7,000.00. Although BPSC is responsible for the roof repair, the Department advised the group that it could apply for various grants to assist with funding the repair. The elimination of the requirement to pay realty taxes will also have the added benefit of providing a savings of $2,425.72 plus GST towards the roof replacement in 2005.

Financial Impact Statement

Date: June 28, 2005

Project Name:

Brooklands Pioneer Citizens Club – 1960 William Avenue – Proposed Amendment to the Lease Agreement

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	(2,426)	(2,426)	(2,426)	(2,426)	(2,426)
Net Cost/(Benefit)	$ 2,426	$ 2,426	$ 2,426	$ 2,426	$ 2,426
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 2,426	$ 2,426	$ 2,426	$ 2,426	$ 2,426

Additional Comments:

The proposed amendment to the Lease Agreement will result in a reduction in property tax revenue derived from the subject tenant.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Public Works
Community Services
Corporate Finance
Legal Services Division

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: D. Armstrong
PPD File #: 5975/ G 14

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Schedule "A"

Senior Centres Utilizing City-Owned/School Owned Property

Seniors	File No.	Address	Articles of Incorp.	Const. By-Law	Org. Struct.	Current Programming	Fin. Stmt.	Cert. of Insurance	Utilities	Maint.	Cleaning	Realty Taxes	Agrmt.	Bldg. Site Plan	Cond. Report	No. of Mbrs.	City's Facility Plan
1. Golden Rule Seniors		625 Osborne R3L 2B3	not incorp.	√	√	bridge, carpet bowl, crafts, excursion trips, dances, bingo	√		City	City	City	City	Yes – Facility Use				
2. Brooklands Pioneer Citizens Club	5975/ G - 14	1960 William R2R OC4	√	√	√	bingo, cards, pool, exercise classes, craft sales, picnics, excursion trips, speakers	√	Yes, CGL $1.0 mil	Tenant	Tenant	Tenant	Tenant	Yes				
3. Dufferin Senior Citizens Inc.	3435/A	377 Dufferin R2W 2Y2	√	√	√	dances	√		City	City	City	City	No				
4. North Centennial Seniors Assoc.	307(II)	86 Sinclair R2X 1X1	√	√	√		√	√	City	City	City	City	No				
5. Good Neighbours Senior Citizens Inc.	32/6644(II)	755 Henderson Hwy R2L 1L1						Yes, CGL $1.0 mil	Tenant	Tenant	Tenant	Tenant	Yes				
6. Elmwood-EK Retired Seniors	5104	180 Poplar R2L 2B6 * Owned by Wpg No 1 and leased to the City				pool, woodworking, crafts computers, exercise, games		Contents	City	City	City	City	No				
7. Transcona Council of Seniors	7002	328 Whittier R2C 1Z8		√	√	Carpet bowling, crafts, bingo, line dancing, darts, snooker, shuffleboard	√	√	City	City	City	City	No				
8. Club Eclipse	6862	255 Rue de la Cathedrale	√	√	√		√	√	City	Tenant	Tenant	City	Yes				
9. Charleswood Seniors	4250	5006 Roblin							City	City	City	City	Pending				
10. Prendergast Seniors		906 Cottonwood * Owned by St Boniface School Div and leased to the City							Tenant	Tenant	Tenant	City	Yes				

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