Minutes - Executive Policy Committee – July 20, 2005

Minute No. 512
Report - Standing Policy Committee on Property and Development – July 18, 2005

Item No. 3 Lease Agreement - Nijimahkwa School
File FI-2.3(34)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 City of Winnipeg enter into a Lease Agreement with the Winnipeg School Division No. 1 for the property at 415 Stella Avenue, known as Nijimahkwa School, for community recreation purposes, in accordance with the terms and conditions outlined in the report from the Director of Planning, Property and Development dated June 27, 2005.

2. That the Proper Officers of the City of Winnipeg be authorized to finalize and execute all documents related thereto.

Minutes - Executive Policy Committee – July 20, 2005

Report - Standing Policy Committee on Property and Development – July 18, 2005

DECISION MAKING HISTORY:

Moved by Councillor De Smedt,

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, be considered by Committee.

Carried

Moved by Councillor De Smedt,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On July 18, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Further, on July 18, 2005, the Standing Policy Committee on Property and Development instructed the Administration to review all leases of City-owned facilities to non-profit organizations, said review to include consideration of City grants in lieu of long term leases for $1.00 per annum rather than at market value, or by waiver of property taxes, or payment of utilities by the City, with a view to providing consistency for all non-profit organizations leasing City buildings/facilities.

ADMINISTRATIVE REPORT

RE:	Lease Agreement for Nijimahkwa School
FOR SUBMISSION TO:	Standing Policy Committee on Property and Development
ORIGINAL REPORT SIGNED BY:	Ursula Stelman, Director Community Services Department
REPORT DATE:	June 27, 2005

RECOMMENDATION(S):

1. That the City of Winnipeg enter into a Lease Agreement with Winnipeg School Division for the property at 415 Stella Avenue, known as Nijimahkwa School, for community recreation purposes, with the terms and conditions outlined herein.

2. That the proper officers of the City of Winnipeg be authorized to finalize and execute all documents related thereto.

REPORT SUMMARY:

Key Issues:

- The proposed lease agreement would be for a period of twenty (20) years with a ten (10) year renewal option for land occupied by the wading pool and associated structures to be used for community recreation purposes.
- The approval of this lease agreement ensures the community's access to this facility.
- The Winnipeg School Division maintains title to and ownership of the subject land.
- The Administration of Winnipeg School Division has reviewed the terms and conditions of the proposed lease agreement and is recommending its approval.
- The proposed lease agreement will be subject to the approval of the Board of Trustees for the Winnipeg School Division.

Implications of the Recommendation(s):

General implications:
☐ **None**
☐ **For the organization overall &/or for other departments**
☒ **For the community and/or organizations external to the City**
☒ **Involves a multi-year contract**
Comment(s):

- The approval of the proposed lease ensures the Community's access to the amenities of this facility. The approval also sustains the youth programming by the Boys and Girls Club, which has been offered from this facility since the mid 1970's.

Policy implications:
☒ **No**
☐ **Yes Comment(s):**

Environmental implications:
☒ **No**
☐ **Yes Comment(s):**

Human Resources implications:
☒ **No**
☐ **Yes Comment(s):**

Financial implications:
☒ **Within approved current and/or capital budget**
☐ **Current and/or capital budget adjustment required**
Comment(s):

- The City of Winnipeg will be responsible for utilities, taxes, and all maintenance, including routine turf care, and trimming, on regular cycles, according to approved budgets.

REASON FOR THE REPORT:

Lease agreements with terms of 10 years or greater require Council approval.

HISTORY:

The former Parks and Recreation Department, Lord Selkirk/West Kildonan Community Parks and Recreation Branch built the existing recreation building in 1977. This building was constructed on the former Argyle/Aberdeen School Site, currently known as Nijimahkwa. A portable wading pool was constructed in 1974 by the City of Winnipeg at a cost of $10,500. In 1990, this pool was converted to a permanent wading pool. Other amenities at the site include tennis courts and a play structure, which are maintained by the Winnipeg School Division.

The Winnipeg Boys and Girls Club currently uses the building and has an extensive history of providing youth programs at this site. The Boys and Girls Club provides a variety of programming including educational assistance, counseling, and drop-in recreational activities.

At a meeting held on February 4, 2003 the Lord Selkirk-West Kildonan Community Committee advised of its concurrence with the draft terms of the Joint Use Lease Agreement to be entered

into between the City of Winnipeg and the Winnipeg School Division for the use of Nijimahkwa School.

DISCUSSION:

This lease will formalize a community partnership that already exists between the community, the Boys and Girls Club of Winnipeg and the City of Winnipeg. The formalization of this partnership will ensure the community's continued access to this facility and its amenities.

The Boys and Girls Club continues to meet the needs of youth between the ages of six (6) and seventeen (17) years in this Lord Selkirk/West Kildonan Community. This need is satisfied by the ongoing development, implementation, and evaluation of programs that allow for the social, physical, and emotional development of the community's youth.

This Lease Agreement is to clearly define the relationship between the Winnipeg School Division and the City of Winnipeg with regard to both the land and the building.
Under separate agreement, which is currently being negotiated with the Boys and Girls Club, the City of Winnipeg will grant permission to the Winnipeg Boys and Girls Club for the use of the facility. In this separate agreement, the Winnipeg Boys and Girls Club will be responsible for the Municipal portion of the taxes if any. The City of Winnipeg Legal Services Division has advised that if representatives of the Winnipeg Boys and Girls Club, Inc. were to make application to the City Assessor they would be exempt from school taxes. If the property is to be exempt from Municipal taxes a By-Law will have to be passed by Council pursuant to Section 22 (1) (L) of the Municipal Assessment Act. In order for the Community Services Department not to be liable for the municipal portion of the taxes associated with the Wading Pool Operation this area would also need to be included within the By-Law. In this separate agreement it should also be clearly stated that should the Boys and Girls Club lose their exemption (unlikely) under the Act, which may occur if they were to change the use of the property, or become a for profit operation, then they would be responsible for the municipal portion of the taxes like any other taxpayer. A report is being prepared to be reviewed by the Standing Policy Committee on Protection and Community Services regarding the renewal of the Boys and Girls Club Agreement.

The proposed terms and conditions are as follows:

1. The City of Winnipeg will lease the property shown on the site plan (Appendix A) for community recreation purposes; the approximate area of the property is 145' X 70';
2. The City of Winnipeg will lease the property for ($1.00) dollar yearly and every year for the duration of the Lease;
3. The City of Winnipeg will maintain the facility and wading pool, including the wading pool perimeter fencing, in a condition meeting the requirements of the Public Health Act C.C.S.M. c.p210 Regulation 132/97;
4. Under separate agreement, the City of Winnipeg will grant permission to the Winnipeg Boys and Girls Club for use of the facility;

5. The City of Winnipeg will be responsible for utilities, taxes, and all maintenance, including turf mowing, and trimming, on regular cycles, in accordance with approved budgets;
6. The City of Winnipeg will insure the existing building and any future improvements; standard insurance clauses to apply;
7. The Winnipeg School Division will also provide necessary insurance coverage;
8. The Winnipeg School Division will invoice the City of Winnipeg for its portion of taxes, if applicable, on an annual basis. In the year 2004, the assessed value of the recreation building and the wading pool is $154,200. Based on the 2004 mill rate, the total demand for Municipal Taxes is $6004.87. The exemption for the school tax portion comes under section 23 (1) (I) of the Municipal Assessment Act;
9. The Winnipeg School Division will have the right to enter onto the property and inspect the grounds and buildings as required;
10. The City of Winnipeg will abide by all By-Laws and Regulations;
11. The City of Winnipeg will only make changes or alterations to the buildings or grounds with the written permission of the Winnipeg School Division which shall not be unreasonably withheld;
12. The City of Winnipeg will remove any and all of its signs and fixtures upon the request of the Winnipeg School Division for good reason or upon termination of the Lease and will return the premises to the condition that they were in prior to the installation of the said signs and fixtures;
13. If the leased premises are rendered partially unfit or partially destroyed it is at the option of the Lessee (City of Winnipeg) to repair, remove or replace;
14. Any dispute arising from the interpretation of this Lease Agreement or disputes arising out of the application or administration of this Lease Agreement shall be considered in the first instance by the Agreements Coordinator on the part of the City of Winnipeg, and to the Secretary Treasurer on the part of the Winnipeg School Division, who shall refer any matters which cannot be resolved under established policies of the parties to this Agreement to arbitration in accordance with the provisions of the Arbitration Act of Manitoba;
15. Cancellation of the Lease by either party given notice of one year in writing.

Financial Impact Statement: Lease Agreement for Nijimahkwa School

Project Name: Lease Agreement for Nijimahkwa School
Date: June 27, 2005 **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					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 18,788	$ 18,788	$ 18,788	$ 18,788	$ 18,788
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 18,788	$ 18,788	$ 18,788	$ 18,788	$ 18,788
Less: Existing Budget Amounts	18,788	18,788	18,788	18,788	18,788
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The Building Services and Parks and Open Space Divisions, of the Public Works Department, have the existing budget dollars required for the utilities and maintenance services outlined in the "proposed terms and conditions", contained in this report. No additional funds are required.

"Original signed by"
Cindy Fernandes, B. Comm(Hon), CMA
Acting Manager of Finance & Administrative Services

6536

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

Public Works Department

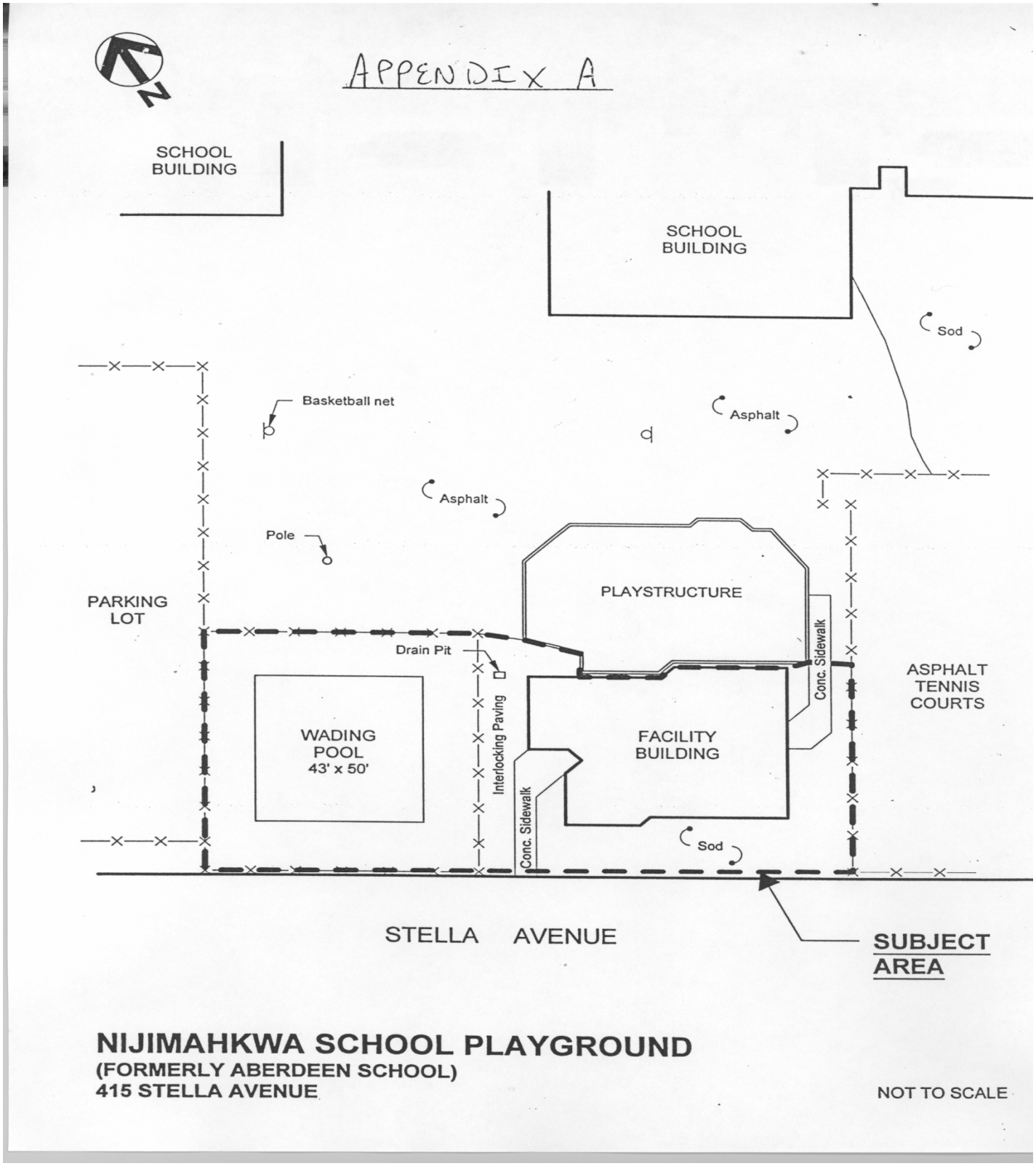
Corporate Finance Insurance Section

Winnipeg School Division

Legal Services Division

THIS REPORT SUBMITTED BY:

Community Services Department
Prepared by: Andrew Glassco, Agreements Coordinator
File No.


APPENDIX A
N
SCHOOL BUILDING
SCHOOL BUILDING
Sod
Basketball net
Asphalt
Asphalt
Pole
PLAYSTRUCTURE
PARKING LOT
Drain Pit
Conc. Sidewalk
ASPHALT TENNIS COURTS
WADING POOL 43' x 50'
Interlocking Paving
FACILITY BUILDING
Conc. Sidewalk
Sod
STELLA AVENUE
SUBJECT AREA
NIJIMAHKWA SCHOOL PLAYGROUND
(FORMERLY ABERDEEN SCHOOL)
415 STELLA AVENUE
NOT TO SCALE