Minutes - Executive Policy Committee – September 21, 2005

Minute No. 585
Report - Standing Policy Committee on Downtown Development - September 9, 2005

Item No. 1 Lease Agreement - The Old Market Square and Bijou Theatre Sites File FI-2.2(34)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Downtown Development and submits the following to Council:

1. That a Lease Agreement in favour of the Exchange District Business Improvement Zone be approved for the City-owned lands shown as "Subject City Property" on Misc. Plan No. 6358/5 for the programming, marketing and staging of public events on the Subject City Property in accordance with the terms and conditions outlined in the report from the Director of Planning, Property and Department dated August 30, 2005.

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

Minutes - Executive Policy Committee – September 21, 2005

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DECISION MAKING HISTORY:

Moved by Councillor De Smedt,

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On September 9, 2005, the Standing Policy Committee on Downtown Development concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Re: **Proposed Lease Agreement in Favour of Exchange District Business Improvement Zone for the Old Market Square & Bijou Theatre Sites**
Lord Selkirk-West Kildonan Community
Point Douglas Ward

For submission to: **Standing Policy Committee on Downtown Development**

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

Report date: August 30, 2005

Recommendation(s):

1. That a Lease Agreement in favour of Exchange District Business Improvement Zone be approved for the City-owned lands shown as "Subject City Property" on the attached Misc. Plan No. 6358/5 for the programming, marketing and staging of public events on the Subject City Property and in accordance with the terms and conditions outlined herein.

2. 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 Planning, Property and Development Department has negotiated proposed terms and conditions of a Lease Agreement in favour of the Exchange District Business Improvement Zone for the lease of the Subject City Property as shown on Misc. Plan No. 6358/5, attached.
- This report seeks approval of the Lease Agreement as negotiated.

Implications of the Recommendation(s):

General implications:

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

Comment(s):

-

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

- There are no environmental implications associated with the recommendations of this report.

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):

- The Property Assessment Department has advised that the proposed lease of the Subject City Property will have no affect on the properties current Tax Exempt Status.

REASON FOR THE REPORT:
In accordance with the Council Order of March 24, 2004, the Standing Policy Committee on Downtown Development shall authorize the leasing or rental of City properties in the area governed by the Downtown Winnipeg Zoning By-law No. 4800/88 for which the Director of the Planning, Property and Development Department has no authority. The Standing Policy Committee's approval of the terms and conditions of the proposed new lease is required.

This report seeks the approval of the foregoing recommendations.

HISTORY:
In 1977, the City of Winnipeg entered into a lease agreement with the Old Market Square Association for the Old Market Square site, shown hatched on attached Misc. Plan No. 6358/5, and developed the site as a park, a seasonal farmer's market and a location for hawkers to set up their booths.

In 1985, the aforementioned lease was amended to include the Bijou Theatre site, shown shaded on attached Misc. Plan No. 6358/5.

In 1987, the Exchange District Redevelopment Program Review Committee of the Winnipeg Core Area Initiative Program established and provided funding for the Exchange District Association, the predecessor of the Exchange District Business Improvement Zone. The Exchange District Association was mandated to develop and to provide for the consideration of City Council a comprehensive business plan for the restoration, redevelopment, programming and marketing of the Old Market Square and Bijou Theatre sites, identified as "Subject City Property" on attached Misc. Plan No. 6358/5.

On March 23, 1988 City Council considered the Exchange District Association's report and among other things, concurred with the recommendations, namely:

1. *"That the existing legal agreement between the City of Winnipeg and Old Market Square Association Inc. for the lease of the Old Market Square and Bijou Theatre sites be terminated;*

2. *That a legal agreement be drawn up between the City of Winnipeg and the Exchange District Association Inc. for the lease of the Old Market Square and Bijou Theatre sites at the total cost of one dollar per year; . . . "*

Subsequently, the City and the Exchange District Association Inc. entered into a formal lease agreement for the Subject City Property.

On January 25, 1989, Council passed By-law No. 5081/89 thus creating the Exchange District Business Improvement Zone (Exchange BIZ) and establishing a Management Board for the Exchange BIZ. The lease of the Subject City Property was assigned accordingly to the Exchange BIZ.

The aforementioned lease expired in 2002. However, the lease was allowed to remain in overholding status, as there were several issues concerning access and parking related to the City's sale of 211 Bannatyne Avenue and Letinsky Place to the Ashdown Arts Exchange Consortium Ltd.

The City's Legal Services Division has advised that the aforementioned matters have been resolved and that the Exchange BIZ wishes to enter into a new lease agreement for the Subject City Property.

DISCUSSION:
The Exchange BIZ has been responsible for the programming, marketing and staging of public events on the Subject City Property since 1989. Over this time, the Exchange BIZ and various City Departments have established positive working relationships.

The Planning, Property and Development Department has contacted the various City Departments named above and requested comments concerning the proposed new lease of the Subject City Property. The contacted Departments have responded that the established working relationships with the Exchange BIZ are satisfactory and should remain in place as is.

The Department has concluded its negotiations with the Exchange BIZ. The proposed terms and conditions of the proposed lease which have been agreed to are as follows:

Use:	The programming, marketing and staging of public events on the Subject City Property.
Term:	Annual Continual, commencing immediately upon approval by City Council or its delegated authority.
Rental:	$1.00 per annum, plus GST.
Taxes:	The Property Assessment Department has reviewed the terms and conditions of the proposed lease and has advised that the Subject City Property should retain its Tax Exempt status.
Cancellation:	One (1) year written notice by either party.
Insurance:	The City's Corporate Services' Risk Management Division has advised that by way of the Business Improvement Zone Procedures By-law, No. 8111/2002, the Exchange BIZ falls under the City's insurance policy. All scheduled Exchange BIZ events and performers shall be required to provide proof of insurance to the satisfaction of the City's Risk Management Division.

Maintenance:	The City shall be responsible for the day-to-day maintenance of the Subject City Property. The Exchange BIZ shall be responsible for maintenance and clean up of the Subject City Property during and immediately following any scheduled Exchange BIZ sponsored event.
Other:	The Exchange BIZ shall ensure that all appropriate authorizations, permits, security, etc., have been obtained before the commencement of any Exchange BIZ sponsored event. Any other terms and conditions as are deemed necessary, by the Director of the Planning, Property and Development Department and by the City Solicitor/Manager of Legal Services, to protect the City's interests.

Financial Impact Statement

Date: August 24, 2005

Project Name:

Proposed Lease Agreement in Favour of Exchange District Business Improvement Zone for the Old Market Square & Bijou Theatre Sites

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	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The proposed lease is Annual Continual for a annual rental of $1.00, the City's Property Assessment Department has reviewed the terms and conditions of the proposed lease and has determined that the Subject City Property shall retain its Tax Exempt Status, thus no Muncipal Taxes will be collected as a result of the proposed lease.

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

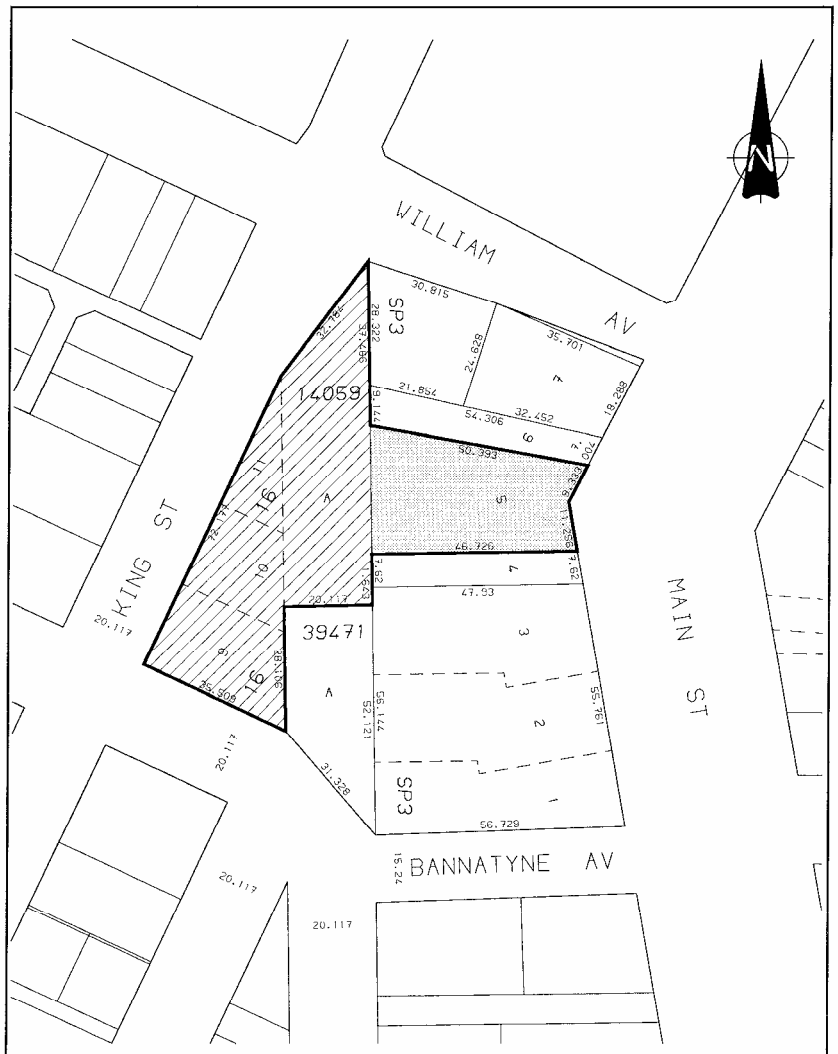
6008

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

- *Property Assessment Department*
- *Risk Management Division – Corporate Finance Department*
- *Legal Services Division, Corporate Services Department*
- *Operational Services Branch, Community Services Department*
- *Parks and Open Space Division, Public Works Department*

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Stewart Anderson CRA
PPD File #: 6258 Vol. 3



CITY OF WINNIPEG PLANNING, PROPERTY AND DEVELOPMENT DEPT.		
SCALE: 1:1000	DATE: 02-APR-09	DISTRICT: CC
ATLAS: F12B4	FILE: 6258/3	
MISC. PLAN No.: 6358/5		

All dimensions are approximate.
No warranty is expressed or implied regarding the accuracy of such information.