Agenda – Executive Policy Committee – December 7, 2005

Report - Standing Policy Committee on Property and Development - November 29, 2005

Item No. 26 Lease - Portion of Public Reserve Plan 19181 - MTS Communications File FI-2.2(33)

STANDING COMMITTEE RECOMMENDATION:

On November 29, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submits the following to Council:

1. That a twenty-year lease agreement between the City and MTS Communications be approved in accordance with the terms and conditions outlined in the report from the Director of Planning, Property and Development dated November 8, 2005.

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

Pursuant to Section 205(2) of The City of Winnipeg Charter, disposal of land owned or acquired by the City for park or cemetery purposes requires approval by two-thirds of all Members of Council.

Agenda – Executive Policy Committee – December 7, 2005

Report - Standing Policy Committee on Property and Development - November 29, 2005

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On November 29, 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.

Re: **Lease of a Portion of Public Reserve Plan 19181, MTS Communications**
East Kildonan/ Transcona Community
Transcona Ward

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

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

Report date: November 8, 2005

Recommendation(s):

1. That a twenty-year lease agreement between the City and MTS Communications be approved in accordance with the terms and conditions contained 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:

- At its meeting held on December 4, 1985, Council approved the proposed terms and conditions for a 20 year lease agreement between the City and the Manitoba Telephone System for the use of a portion of Public Reserve Plan 19181 for the placement of plant and equipment.

- MTS Communications, the successor to the Manitoba Telephone System, wishes to enter into a new 20 year lease agreement for the same property and use.

- The Public Works Department (Parks and Open Space Division) does not have any objection to the MTS Communications use of the subject Public Reserve for plant and equipment purposes.

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):

-

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):

-

REASON FOR THE REPORT:

The leasing of parkland requires a 2/3-majority vote of Council.

HISTORY:

At its meeting held on December 4, 1985, Council approved the proposed terms and conditions for a 20 year lease agreement between the City and the Manitoba Telephone System for the use of a portion of Public Reserve Plan 19181 for the placement of plant and equipment. The particulars of the property and terms and conditions of lease are as follows:

Owner:	City
Tenant:	Manitoba Telephone System
Rent:	$1.00 per annum plus GST
Term:	20 years
Misc. Plan:	Portion of Public Reserve shown on Misc. Plan EKT 6073
Location:	South of Rutledge Crescent and west of McLellan Drive
Purpose:	MTS plant and equipment
Zoning:	PR
Indemnification:	Tenant to Indemnify the City
Commencement date:	December 4, 1985
Termination:	Upon 180 days notice in writing by either party
Tenant Resp.:	To construct a 12'by 12' building to house its equipment, to provide landscape buffer around the structure, to not erect any other structure, to submit plans and specifications of the building and landscaping to the General Manager of Parks and Recreation, to restore adjoining land to a condition satisfactory to the General Manager of Parks and Recreation, to maintain the building/structure in good repair to the satisfaction of the General Manager of Parks and Recreation, not to assign or sublet without the prior approval of the City, to pay realty taxes, to remove all articles and structures and to restore the lands to a condition satisfactory to the General Manage of Parks and Recreation.
City:	Right to enter the subject lands at any time without being responsible for damage, right to view the state of repairs and to notify Tenant of requirement to repair within 30 days at its expense and if no compliance, to complete the repairs at the expense of the Tenant and grants non-exclusive access to adjoining City land.

By letter dated September 22, 2005, the Planning, Property and Development Department inquired of MTS Communications as to whether it wished to renew the Lease Agreement dated December 4, 1985.

By letter dated October 21, 2005, MTS Communications advised that it wished to enter into a new lease agreement for a twenty-year term.

DISCUSSION:

In 1985, MTS Communications constructed a building within the leased portion of the Public Reserve as shown on Misc. Plan 6073/1 and currently uses same to provide telecom services to residents located within the community.

The Tenant wishes to continue utilizing the subject property for its purposes and to enter into a new lease agreement with the City in accordance with the following:

Owner:	City
Tenant:	Manitoba Telephone System
Rent:	$1.00 per annum plus GST
Term:	20 years
Misc. Plan:	Portion of Public Reserve shown on Misc. Plan EKT 6073
Location:	South of Rutledge Crescent and west of McLellan Drive
Purpose:	MTS plant and equipment
Zoning:	PR
Indemnification:	Tenant to Indemnify the City
Commencement date:	December 4, 2005
Tenant Resp.:	To maintain a landscape buffer around the existing 12' by 12' structure, not to erect any other structure, to restore adjoining land to a condition satisfactory to the Director of Public Works, to maintain the building/structure in good repair to the satisfaction of the Director of Public Works, not to assign or sublet without the prior approval of the City, to pay realty taxes, to remove all articles and structures and to restore the lands to a condition satisfactory to the Director of Public Works.
City:	Right to enter the subject lands at any time without being responsible for damage, right to view the state of repairs and to notify Tenant of requirement to repair within 30 days at its expense and if no compliance, to complete the repairs at the expense of the Tenant and grants non-exclusive access to adjoining City land.

Financial Impact Statement

Date: October 31, 2005

COMMENTS:

Other than the nominal rent revenue of $1 per annum, there are no financial implications associated with the recommendations contained in this report.

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

IN

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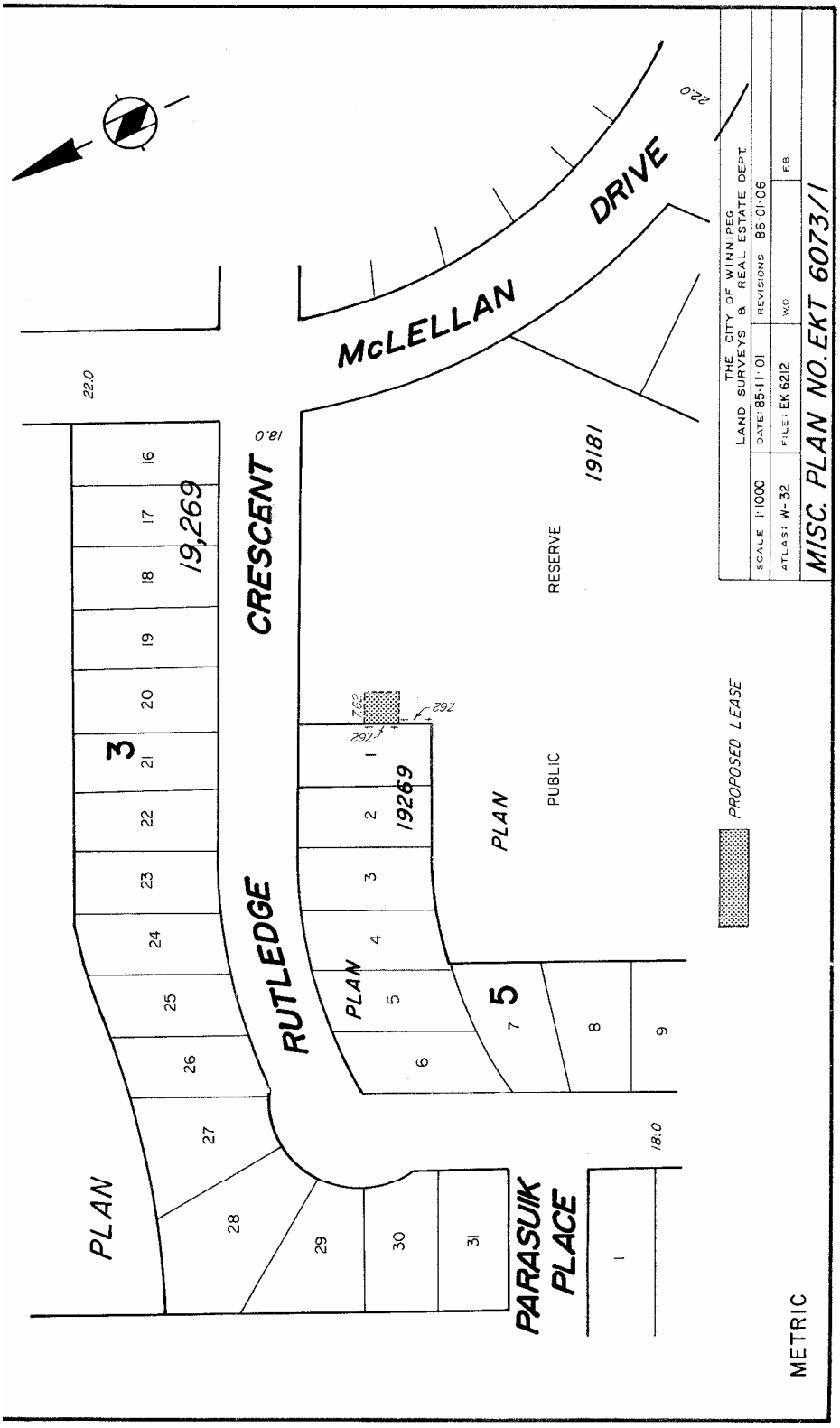
PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Public Works Department

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: D. Armstrong
PPD File #: 6212

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McLELLAN DRIVE
RUTLEDGE CRESCENT
PARASUIK PLACE
PLAN
19,269
19269
19181
RESERVE
PUBLIC
PLAN
PROPOSED LEASE
THE CITY OF WINNIPEG
LAND SURVEYS & REAL ESTATE DEPT
SCALE 1:1000
DATE: 85-11-01
REVISIONS 86-01-06
ATLAS: W-32
FILE: EK 6212
W.O
F.B.
MISC. PLAN NO. EKT 6073/1
METRIC