Minute 118
Report - Standing Policy Committee on Property and Development - November 29, 2005

Item No. 32 **5006 Roblin Boulevard - Lease Agreement - Charleswood Seniors Centre Inc. and the Charleswood Historical Society Inc. - Option to Lease the Existing Garage with the Charleswood Seniors Centre Inc. File FI-2.2(31)**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, as amended, and submits the following to Council:

1. That a Lease Agreement between the City and Charleswood Seniors Centre Inc. and the Charleswood Historical Society Inc. be approved in accordance with the terms and conditions outlined in the report from the Director of Planning, Property and Development dated November 17, 2005, amended as follows;

   A. That the Lease Agreement provide for an initial twenty-year (20) term with one (1) five year renewal at the tenant's option.

   B. That the Joint Tenant Responsibilities clause be amended by adding the words "and other community groups" after the word "City" in the third line thereof.

2. That an Option Agreement between the City and the Charleswood Seniors Centre Inc. for the use of the existing garage be approved in accordance with the terms and conditions outlined in the report from the Director of Planning, Property and Development dated November 17, 2005.

3. That the Charleswood Seniors Centre Inc. and the Charleswood Historical Society Inc. be exempt from property taxes for the premises at 5006 Roblin Boulevard in accordance with Community Groups Occupying City-owned Facilities By-law No. 89/2005.

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

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

DECISION MAKING HISTORY:

Moved by Councillor De Smedt,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in with the following amendment:

- That a new Recommendation 3 be added as follows:

    3. That the Charleswood Seniors Centre Inc. and the Charleswood Historical Society Inc. be exempt from property taxes for the premises at 5006 Roblin Boulevard in accordance with Community Groups Occupying City-owned Facilities By-law No. 89/2005,

    and the balance of the recommendations be renumbered accordingly,

and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 29, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation, as amended, namely:

- the Lease Agreement with the Charleswood Seniors Centre Inc. and the Charleswood Historical Society Inc. provide for an initial twenty (20) year term with one five year renewal at the tenant's option
- the Joint Tenant Responsibilities clause be amended by adding the words "and other community groups" after the word "City" in the third line thereof

and submitted the matter to the Executive Policy Committee and Council.

Further, on November 29, 2005, the Standing Policy Committee on Property and Development recommended to the Executive Policy Committee that the Charleswood Seniors Centre Inc. and the Charleswood Historical Society Inc. be exempt from property taxes for the premises at 5006 Roblin Boulevard in accordance with Community Groups Occupying City-owned Facilities By-law No. 89/2005.

Re: **5006 Roblin Blvd – Proposed Lease Agreement with the Charleswood Seniors Centre Inc. and the Charleswood Historical Society – Proposed Option to Lease the Existing Garage with the Charleswood Seniors Centre Inc.**
Assiniboia Community
Charleswood Ward

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

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

Report date: November 17, 2005

Recommendation(s):

1. That a Lease Agreement between the City and Charleswood Seniors Centre Inc. and the Charleswood Historical Society be approved in accordance with the terms and conditions contained herein.
2. That an Option Agreement between the City and the Charleswood Seniors Centre Inc. for the use of the existing garage be approved in accordance with the terms and conditions contained herein.
3. 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 March 6, 2003, the Standing Policy Committee on Property and Development amended and approved the terms and conditions for a Modified Facility Use Agreement for a Community Resource Centre at 5006 Roblin Blvd.

- Following the Standing Policy Committee on Property and Development approval, the City-owned building located at 5006 Roblin Blvd. was renovated to accommodate the City Naturalist, City Clerks and Community Resource Centre requirements.

- Subsequent to Council's April 27, 2005 approval of the Non-Profit Community Group By-law 89/2005 to provide exemption from municipal realty taxes, the Charleswood Seniors Centre Inc. and the Charleswood Historical Society have now requested that the City approve a long-term lease agreement for their use of 5006 Roblin Blvd.

- As well, the Charleswood Seniors Centre Inc. wishes to move forward on a proposal to convert the existing garage at the rear of 5006 Roblin Blvd. to programmable space and as such, have requested that the City provide an Option Agreement.

Implications of the Recommendation(s):

General implications:

	None
X	**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):

- The City has entered into various arrangements for the development and operation of senior centres within the City, as referenced in the attached Schedule "A".
- The Charleswood Seniors Centre Inc. and the Charleswood Historical Society currently occupy space within the City-owned building located at 5006 Roblin Blvd. and provide programming for seniors and the museum.

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:

Due to the request for a long-term lease agreement this matter is being referred to Council for approval.

HISTORY:

At its meeting held on February 20, 2001, the Assiniboia Community Committee recommended that:

> "The City-owned building located at 5006 Roblin Boulevard be created as a community resource center and that the City enter into a lease with the appropriate community non-profit groups in this connection".

At its meeting held on March 8, 2001, the Standing Policy Committee on Property and Development recommended that the matter be referred to the Administration for review and report back. The Committee, in discussion, requested the Planning, Property and Development Department to develop a form of agreement that could have wider application for similar occupancy arrangements at locations in other communities.

Since then, the Planning, Property and Development Department, Property Assessment Department, Community Services and Corporate Services Departments, have coordinated efforts in responding to the direction of the Standing Policy Committee on Property and Development. The continued utilization of the 5006 Roblin Blvd. facility for Civic Accommodation purposes was also considered.

At its meeting held on September 4, 2001, the Standing Policy Committee on Property and Development considered a status report dated August 29, 2001 on the proposal to establish a community resource center at 5006 Roblin Blvd.

At its meeting held on June 27, 2002, the Standing Policy Committee on Property and Development approved the proposed concept to establish a community resource center at 5006 Roblin Blvd. and the proposed terms and conditions for a Modified Facility Use Agreement, as follows:

Owner:	City of Winnipeg
User:	Charleswood Historical Society
User Fee:	reimbursement of operating costs estimated at $11,351.75 plus applicable GST– subject to annual review plus cleaning costs of $3,101.00. The User would be required to provide day to day cleaning of the exclusive use areas.
Location:	5006 Roblin Blvd. (See Misc. Plan 9347/ 3)
Zoning:	C-1
Size:	1st Floor – 330 sq ft; Basement storage 1407 sq ft 3rd Floor – Joint Use See attached Plans A-1&A-2

User Responsibilities:	Reimbursement of proportionate operating costs, development of programs and services, day to day cleaning of the exclusive use area on the first floor and basement levels, comprehensive general liability insurance coverage, coordination of facility use with other community groups, and provision of staffing plan.
City Responsibilities:	Maintenance, security, payment of utilities, garbage collection, building insurance, snow clearing.

As a result of reviewing the arrangements with other Senior Centres occupying City-owned buildings, the Standing Policy Committee on Property and Development eliminated the requirement for the User to pay for the operating costs associated with the proposed use of the building located at 5006 Roblin Blvd.

At its meeting held on March 6, 2003, the Standing Policy Committee on Property and Development amended and approved the proposed terms and conditions for a Modified Facility Use Agreement for a Community Resource Center at 5006 Roblin Blvd., as follows:

Owner:	City of Winnipeg
User:	Charleswood Historical Society
User Fee:	$1.00 plus applicable GST. The User would be required to provide day to day cleaning of the exclusive use areas.
Location:	5006 Roblin Blvd. (See Misc. Plan 9347/ 3)
Zoning:	C-1
Size:	1st Floor – 330 sq ft; Basement storage – 1407 sq ft 3rd Floor – Joint Use See attached Plans A-1&A-2
User Responsibilities:	Development of programs and services, day to day cleaning of the exclusive use area on the first floor and basement levels, comprehensive general liability insurance coverage, coordination of facility use with other community groups, and provision of staffing plan.
City Responsibilities:	Maintenance, security, payment of utilities, garbage collection, building insurance, snow clearing.

DISCUSSION:

1. Community Resource Centre – 5006 Roblin Blvd.:

As identified on the attached Misc. Plan 9347/3, a City-owned building (the former Charleswood Municipal Offices) is located at 5006 Roblin Boulevard.

The Civic Accommodations Division completed renovations to the City-owned building located at 5006 Roblin Blvd. to accommodate the requirements of the City Naturalist, City Clerks, Charleswood Senior Centre Inc. and the Charleswood Historical Society. The final layout of the building is referenced on the attached Sheets “A1”and “A2”.

Following same, the Charleswood Senior Centre Inc. and the Charleswood Historical Society executed annual Modified Facility Use Agreements and have begun using the space within the building for their respective programming. Currently, the seniors schedule monthly programs involving the use of the joint use space on the upper level and the Historical Society has relocated various artifacts to the space on the lower level. The Society has not yet completed the set up of the space nor does it currently conduct programming at this time.

Since the completion of the renovations, execution of the Modified Facility Use Agreement and the occupancy of the spaces, a number of issues have arisen which require the City's consideration and review. They are:

i) Form and Term of Agreement:

Council approved the proposed terms and conditions for a Modified Facility Use Agreement to facilitate the subject community resource center proposal. Following the adoption of the Non-Profit Community Group By-law 89/2005 and subsequent to resolving tax issues involving the Good Neighbours and Brooklands Pioneer Seniors Groups, the Charleswood Seniors Centre Inc. and the Charleswood Historical Society approached the City with a request to enter into a long term, twenty-five (25) year lease agreement for their use of a portion of the building at 5006 Roblin Blvd.

ii) Option to Lease Garage Space:

Since the initiation of discussions regarding the creation of the Seniors Centre, the Department has been aware of the Charleswood Senior Centre Inc.'s desire to have an option to lease the garage space should it be determined that it is feasible to convert the space into a multi-purpose use and that the group be successful in raising the funds required to complete a project. This Option would be exercised by providing six (6) months written notice to the City and upon the same terms and conditions of the principal lease.

iii) Addition of Office Space – Lower Level:

The Charleswood Historical Society has previously indicated an interest in the office located on the lower level immediately inside the exterior entrance. The Department understands that the Society wishes to have said space added to the proposed terms of lease.

iv) Submission of Schedule of Programs:

The Charleswood Senior Centre Inc. indicated that it determines it's programming on a bi-monthly basis and as such, it is not able to provide an annual plan for programming. The Group is prepared to submit a monthly plan to the Department for approval.

Departmental Comment:

Given the current circumstances regarding the newly created community resource center, the fact that the City is occupying a portion of the building for Civic Accommodation requirements and Departmental leasing practises, the Planning, Property and Development Department would not normally extend an initial lease term of twenty-five years except under extraordinary circumstances. The Department prefers an initial term of five (5) years with renewal option periods as requirements of the Tenant and Landlord change through time. By structuring the agreement term in this manner, the requirements of both parties can be incorporated in an orderly and timely manner.

Any capital financing for the garage space development could potentially require a (25) twenty-five year lease term. There are lease clauses to deal with any unamortized loans should the City wish to use the building or terminate the lease agreement. In this event, adequate lead time, such as two years notice could be incorporated into a lease termination clause. At this time, the Tenant has not exercised their option to lease the garage nor confirmed a project budget and financing plan, which would be the subject of a future report.

With respect to the requests for the Option to Lease the garage space, the addition of the office space in the lower level and the submission of monthly programming, the Department has no concerns with same.

With regards to the Council approved Recreation, Leisure and Libraries Policy, the Department is of the opinion that the subject Community Resource Centre and contemplated use of the garage from the inception do not constitute an addition to the existing global portfolio.

2. Proposed Terms and Conditions of Lease Agreement:

Based on the proposed terms and conditions for a Lease Agreement as set out in the Departmental Letter dated August 5, 2005 and the above requested amendments, the Department understands that the Charleswood Senior Centre Inc. and the Charleswood Historical Society would be prepared to enter into a Lease Agreement on the following basis:

Owner:	City
Joint Tenants:	Charleswood Senior Centre Inc. Charleswood Historical Society Inc.
Location:	5006 Roblin Blvd.
Use:	Charleswood Senior Centre Inc. – Senior Centre Programming (Upper level and Basement Storage) Charleswood Historical Society Inc.- Museum (Lower level and Basement Storage)
Term:	Initial Five (5) year term with four (4) - five year renewals commencing October 1, 2005
Area:	See attached Sheets A-1 and A-2
Rent:	$1.00 plus GST

Realty Taxes:	May be Exempt subject to Council approval of non-profit exemption pursuant to By-law 89/2005
Cancellation:	Upon (180) days written notice by the Tenants or Landlord by default.
Insurance:	Tenants to provide separate Comprehensive General Liability in the amount of $2.0 Million dollars all inclusive, City added as additional insured, cross liability, tenant's legal liability, contractual liability and a products and completed operations endorsement, all risks policy for the full replacement cost without deduction for depreciation insuring all contents and tenant's improvements.
Joint Tenant Responsibilities:	To submit monthly schedule of programs and fees and charges for approval, the use of the joint use areas for the benefit of both tenants, to provide the City with access to the joint use areas for its purposes upon the receipt of written notice from the City Clerks Department, to clean the joint use and joint tenant areas after each use and to pay for phone and internet services and to annually submit audited financial statements and Tenants will have the right to install an outdoor advertising sign at a location to be determined and subject to the Directors approval.
Charleswood Senior Centre Inc. Responsibilities:	To develop and provide senior centre programming, to provide daily cleaning of Joint Use Area and 2nd floor Office Area, to provide Councillors with access to the Office area before, during and after Community Committee meetings and to provide and pay for all costs related to programs and services including but not limited to advertising and promotion.
Charleswood Historical Society Responsibilities:	To develop, provide and pay for all museum interpretative programming and curatorial functions for the artifact collection to be stored on site, to provide daily cleaning of the area on ground floor used to display artifact collection and to obtain a fine arts insurance policy for the artifact collection.
City Responsibilities:	To maintain the building in a fit condition and to pay the operating costs including utilities, security and cleaning of the joint use areas.

Department Comments:

As referenced in the attached Schedule "A", the City has entered into various arrangements for the establishment and operation of senior centres. Based on the

summary of these arrangements, the Council approval of the modified facility use terms and conditions of agreement for 5006 Roblin Blvd. and the joint use nature of this occupancy, the Department is supportive of the proposed terms and conditions of lease. It should be noted that the City is not recovering the fully absorbed portfolio rent cost of these tenants which includes a basic rent and charge for maintenance, utilities, insurance, cleaning and realty taxes per annum.

3. Proposed Option to Lease:

In order to accommodate the Charleswood Senior Centre request to lease the garage space, the Department is proposing an Option to Lease.

The particulars of the subject property and Proposed Option to Lease are as follows:

Owner:	City
Optionee:	Charleswood Senior Centre Inc.
Location:	5006 Roblin Blvd.
Use:	Charleswood Senior Centre Inc. – Senior Centre Programming
Term:	Remaining term on Principal Lease
Exercise of Option:	Upon receipt of written notice from the Joint Tenants and evidence of sufficient funding to complete the conversion of the garage to multi-purpose space.
Option Period:	Two (2) years commencing October 1, 2005
Area:	See attached Sheets A-1 and A-2
Rent:	$1.00 plus GST
Realty Taxes:	May be Exempt subject to Council approval of non-profit exemption pursuant to By-law 89/2005
Cancellation:	Upon (180) days written notice by the Tenants or by default.
Insurance:	Tenants to provide separate Comprehensive General Liability in the amount of $2.0 Million dollars including all necessary endorsements, as well as, all property policies and endorsements as yet to be determined.
Charleswood Senior Centre Inc. Responsibilities:	To complete a feasibility study and to provide detailed plans and specifications for and subject to the Director's approval and to obtain all financing required to complete the conversion of the garage space to seniors programming space.

Financial Impact Statement

Date: November 15, 2005

COMMENTS:

There is financial impact associated with the proposed terms and conditions of the lease. The costs to maintain this building are within the existing Civic Accommodations Division budget as the City continues to utilize the building for municipal administration requirements. In the event that the Charleswood Seniors execute the proposed Option agreement to use the garage space, there would be additional current budget impact to reflect the increased operating costs for this space (utilties and maintenance).

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

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

Civic Accommodations

City Clerks Department

Public Works Department

Legal Services Division (as to form and content)

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: D. Armstrong
PPD File #: 4250/ V2

Document name: o:\reports directive\real estate\leasing\(da) 5006 roblin.doc

Schedule "A"

Senior Centres Utilizing City-Owned/School Owed 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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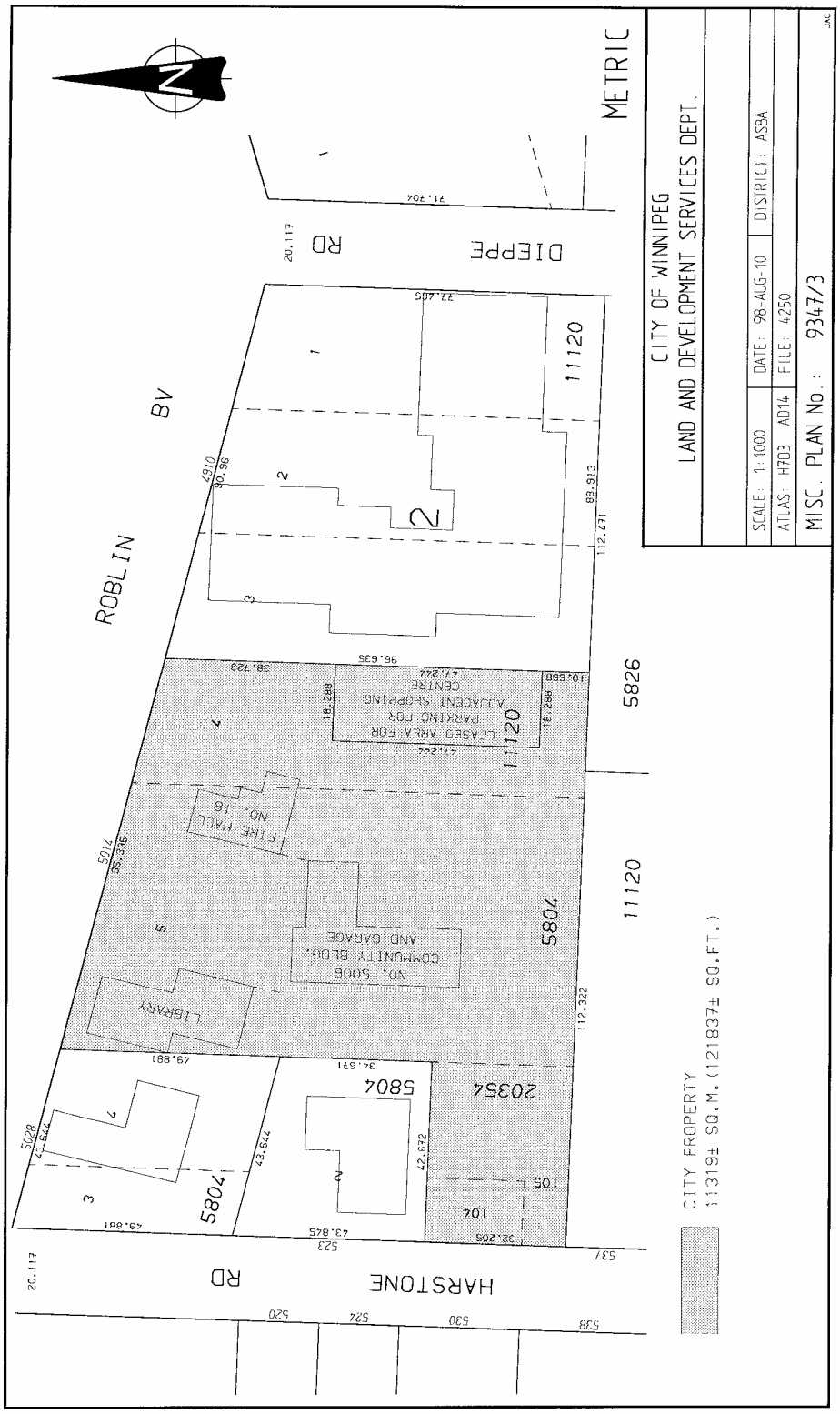
CITY OF WINNIPEG
LAND AND DEVELOPMENT SERVICES DEPT.
SCALE: 1:1000
DATE: 98-AUG-10
DISTRICT: ASBA
ATLAS: H7D3 AD14
FILE: 4250
MISC. PLAN No.: 9347/3
METRIC
DIEPPE RD
ROBLIN BV
HARSTONE RD
11120
5826
5804
20354
LEASED AREA FOR PARKING FOR ADJACENT SHOPPING CENTRE
FIRE HALL NO. 18
NO. 5006 COMMUNITY BLDG. AND GARAGE
LIBRARY
CITY PROPERTY
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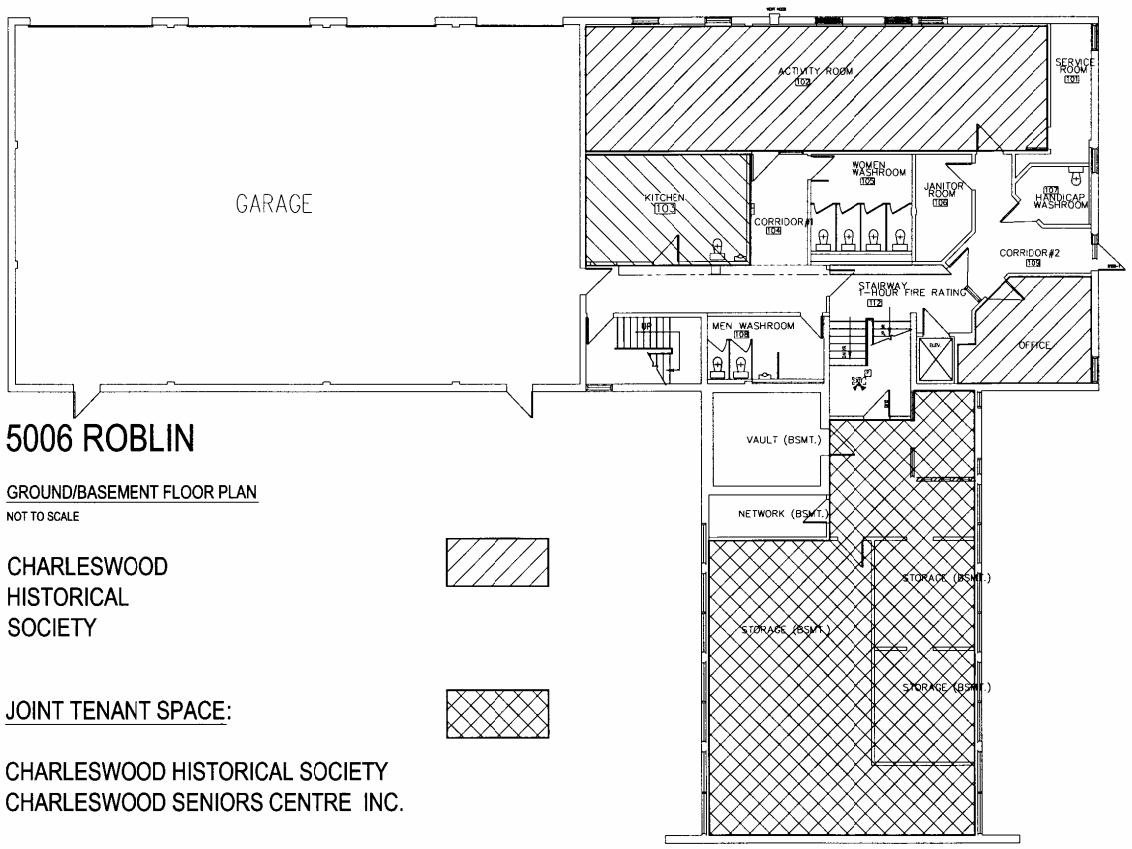


5006 ROBLIN

GROUND/BASEMENT FLOOR PLAN

NOT TO SCALE

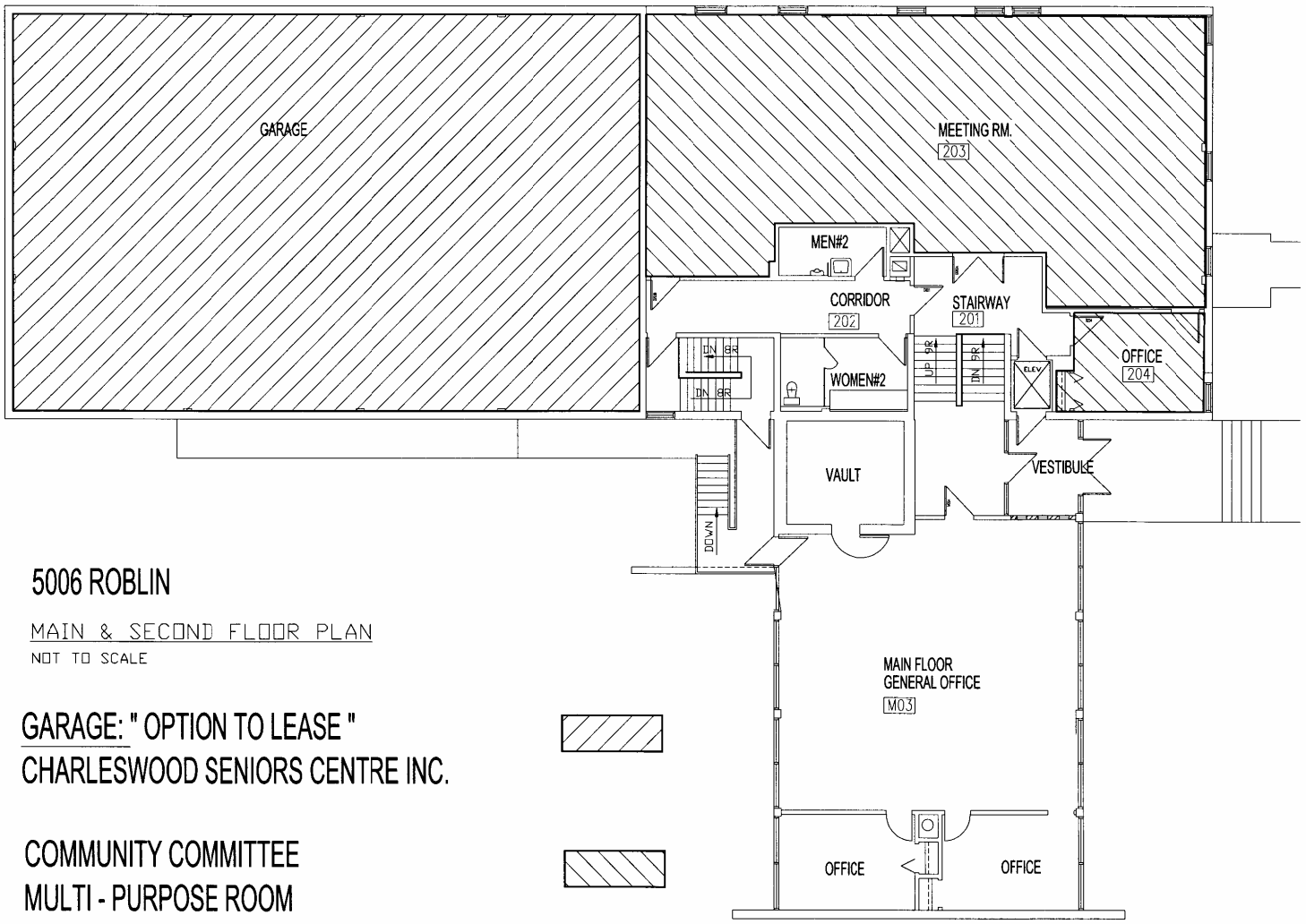
CHARLESWOOD
HISTORICAL
SOCIETY

JOINT TENANT SPACE:

CHARLESWOOD HISTORICAL SOCIETY
CHARLESWOOD SENIORS CENTRE INC.

JOINT USE SPACE

SHEET : A -1



5006 ROBLIN

MAIN & SECOND FLOOR PLAN

NOT TO SCALE

GARAGE: " OPTION TO LEASE "
CHARLESWOOD SENIORS CENTRE INC.

COMMUNITY COMMITTEE
MULTI - PURPOSE ROOM
(JOINT USE AREA)

SHEET: A - 2

5427