Report - Standing Policy Committee on Property and Development - June 6, 2006

Item No. 21 20 Churchill Drive - Lease of Riverbank Property - Redboine Boating Club and Winnipeg Police and Fire Paramedic Services
File FI-2.2(32)

STANDING COMMITTEE RECOMMENDATION:

On June 21, 2006, 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 terms and conditions for a Lease Agreement between the City and Redboine Boating Club as outlined in the report from the Director of Planning, Property and Development dated May 26, 2006, be approved.

2. That the Proper Officers of the City be authorized to do all things necessary to achieve 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.

Report - Standing Policy Committee on Property and Development - June 6, 2006

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 21, 2006, 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 June 6, 2006, 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: **20 Churchill Drive - Proposed Lease of City-Owned Riverbank Property to the Redboine Boating Club and Winnipeg Police Service and Winnipeg Fire Paramedic Service Seasonal Use of Docks and Clubhouse**
City Centre Community
Fort Rouge Ward

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

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

Report date: May 26, 2006

Recommendation(s):

1. That the proposed terms and conditions for a Lease Agreement between the City and Redboine Boating Club as referenced herein be approved.
2. That the Proper Officers of the City be authorized to do all things necessary to achieve the intent of the foregoing.

Report Summary

Key Issues:

- The Redboine Boating Club has been leasing the City-owned land at 20 Churchill Drive since 1956. The Club provides an opportunity for the public to launch and moor private watercraft on the Red River. The current lease expired August 27, 1999 and the Club wishes to enter into a new lease agreement.

- The Redboine Boating Club has agreed to the proposed terms and conditions for a new lease agreement as referenced herein. Amongst other things, the terms provide for the use of a portion of the docks by the Winnipeg Fire Paramedic Service and Winnipeg Police Service and for the construction of a new storage garage and office.

- In a related but separate matter, the Winnipeg Police Service has relocated its Harbourmaster Operations from the Amy Street Intake Structure. The Service leased the existing garage and clubhouse building located at the Redboine Boating Club from November 1, 2005 to April 30, 2006 and has the option to rent the building for the same duration within the proposed terms and conditions of this lease.

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):

-

Regulatory Implications

- [X] None
- [ ] Eliminates or reduces regulatory impact
- [ ] Proposes regulatory impact

Comments(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):

-

Report

REASON FOR THE REPORT:

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

HISTORY:

The Redboine Boating Club has leased a portion of the City-owned riverbank located at 20 Churchill Drive since 1956.

At its meeting held on June 27, 1989, the Committee on Finance and Administration approved terms and conditions for a lease renewal agreement with the Redboine Boating Club, which are summarized as follows:

Owner:	City
Tenant:	Redboine Boating Club
Rent:	$1.00 per annum
Realty Taxes:	Tenant to pay realty taxes on buildings, City to pay realty taxes on land
Term:	10 years
Misc. Plan:	400b/77
Location:	20 Churchill Drive
Purpose:	Boating Club
Zoning:	PR1
Insurance:	Tenant to provide Comprehensive General Liability $250,000
Commencement date:	August 28, 1989 to August 27, 1999
Termination:	Upon 30 days notice in writing by the City
Tenant Resp.:	Payment of rent, to maintain the leased premises (land and buildings) including board walks, floating docks, lamp standards, concrete ramps, vehicle parking areas and marine pump out facility, to erect a sign stating that the general public are permitted to use the launching and boating facilities, to make the launching and parking facilities available to the members of the public at a cost $3.00, to Indemnify the City, to use and operate a 3,000 gallon fuel tank, no assignment or sub-let without leave.

During the period between 1999 and 2003, representatives of the City and Redboine Boating Club met on various occasions to discuss the Boat Club tenancy and the development of the Churchill Drive Parkway.

DISCUSSION:

Between 2004 and the current time, negotiations commenced on the proposed terms and conditions for a new lease agreement. In summary, the issues that required resolution were as follows:

- The finalization of plans for the Churchill Drive Riverbank Parkway;
- Redboine Boating Club's intent to remain on site and continue to operate as a boating club on a "going concern" basis;
- Winnipeg Fire and Paramedic Service and Winnipeg Police Service docking and underwater recovery team requirements;
- Winnipeg Police Service's winter Harbourmaster requirements; and,
- The Winnipeg Police Service requirement to construct a new garage building with an office to house the Harbourmaster operation.

These issues have been finalized and the Redboine Boating Club has agreed to the proposed terms and conditions of lease as follows:

Owner:	City
Tenant:	Redboine Boating Club
Rent:	$1.00 per annum plus GST
Realty Taxes:	Tenant to pay realty taxes on buildings City to pay realty taxes on land
Term:	17 years
Misc. Plan:	11899/1
Location:	20 Churchill Drive
Purpose:	Boating Club
Zoning:	PR1
Insurance:	Tenant to provide Comprehensive General Liability $5,000,000
Commencement date:	August 28, 1999 to August 27, 2016
Termination:	By default
Cancellation:	180 days upon written notice by the Tenant
Tenant Resp:	Payment of rent, to pay all utility and operating expenses, to maintain the leased premises (land and buildings) including board walks, floating docks, lamp standards, gasoline tank, concrete ramps, vehicle parking areas, marine pump out facility and electric access fence/gate in a fit condition, to erect a sign stating that the general public are permitted to use the launching and boating facilities, to make the launching

and parking facilities available to the members of the public at a cost $7.00 per launch, to indemnify the City, to use and operate a 3,000 gallon fuel tank, no assignment or sub-let without leave, to make 250 lineal feet of docking available to the City at a cost of $30.00 per foot between spring thaw and fall freeze up, to make the clubhouse building available to the City upon written request between November 1st and April 30th at any time during the term, to permit 24-hour access to the leased premises for emergency response purposes and to provide site security and to allow the City to construct a garage measuring 40 feet by 90 feet within the demised premises at a location to be determined to the mutual satisfaction of the City and the Tenant.

City Responsibilities: To reimburse the Tenant for the cost of providing 250 lineal ft. of docks for City use at a rate of $30.00 ft. and for the cost of using the clubhouse building each fall between November 1st and April 30th at a rate of $1,500 per month and during this period, to pay the cost of utilities, to provide snow clearing, to provide security monitoring, to provide for building cleaning, to provide liability and contents insurance, to arrange for the installation of heat tape to make the water and sewer service useable during the winter season, to be responsible for usual building maintenance including the replacement of light bulbs, repairs and minor maintenance to the plumbing and heating systems, to arrange for garbage removal, to be responsible for any damage to the leased premises and at such time as a garage is constructed to accommodate the City's watercraft, to reimburse the Tenant for a portion of site maintenance costs at a rate of $500.00 per month for seven months of each year during the term of this agreement.

Departmental Comment:

In this report, the Department is simultaneously addressing the following: (1) continued occupancy of the City-owned lands located at 20 Churchill Drive by the Redboine Boating Club, (2) the docking requirements of the Winnipeg Fire and Paramedic Service and Winnipeg Police Service, (3) the relocation of the Harbourmaster to the Redboine Boating Club and use of the Clubhouse in the winter and (4) a future option to construct a new garage and administration building for the ongoing Harbourmaster operations.

The Administration is supportive of the proposed terms and conditions for a new lease agreement with the Redboine Boating Club. The proposed rental rate for the lease agreement is based on $1.00 per annum with the Tenant paying an amount for realty taxes on the buildings. By precedent on this file, the City has agreed to pay the realty taxes on the lands, presumably in exchange for the public benefit being derived by using the public boat launching and parking facilities. There are currently 600-700 launchings each year.

To provide 250 feet of docks for the Winnipeg Fire and Paramedic Service and Winnipeg Police Service, the Tenant has proposed a rate of $30.00 per lineal foot. This rate is considered to be fair and equitable, based on the annual cost of installing, maintaining, removing and replacing the dock structures and boardwalks.

The Harbourmaster operation was relocated from the Amy Street Intake Structure (ASIS) building to the Redboine Boating Club in the winter of 2005/06 as a result of the ASIS roof condition. The Tenant agreed to allow the Harbourmaster to use the Clubhouse Building at a rate of $1,500.00 per month. This rate was based on a 10% rate of return on the assessed value of the land and buildings, and is considered to be fair and reasonable.

In addition, the Tenant has subsequently agreed to make a portion of the demised lands available to the City (40 ft. by 90 ft.) to construct a new garage building with an office, in order to accommodate the Harbourmaster operation, at the City's option. In order to make a contribution to the overall site maintenance costs, the Tenant has requested that the City reimburse the Club at a rate of $500.00 per month, at such time as the Option is exercised. The Winnipeg Police Service offered to reimburse the Club at the rate of $500.00 per month for seven months of the year for this Option, and the Tenant concurred with the Offer.

Financial Impact Statement

Date: May 8/06

Project Name:
Redboine Boating Club Proposed Lease

First Year of Program

	2006	2007	2008	2009	2010
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	$ 16,500	$ 16,500	$ 16,500	$ 16,500	$ 16,500
Less: Incremental Revenue/Recovery	1,216	1,216	1,216	1,216	1,216
Net Cost/(Benefit)	$ 15,284	$ 15,284	$ 15,284	$ 15,284	$ 15,284
Less: Existing Budget Amounts	15,284	15,284	15,284	15,284	15,284
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Direct costs consist of $9,000 in rent to be incurred by the WPS and $7,500 in rent to be split between the WPS and WFPS. Incremental revenue of $1,216 represents municipal property taxes on the building only. The costs related to reimbursing the Tenant for site maintenance expenses have not been inlcuded as they are not applicable until such time as the City exercises its option to construct a garage/office building on the site.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Winnipeg Police Services

Winnipeg Fire and Paramedic Services

Corporate Services, Legal Services Division

External Consultation With:

Not applicable

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development Department
Division: Real Estate
Prepared by: D. Armstrong
PPD File #: 36/71 DA V2

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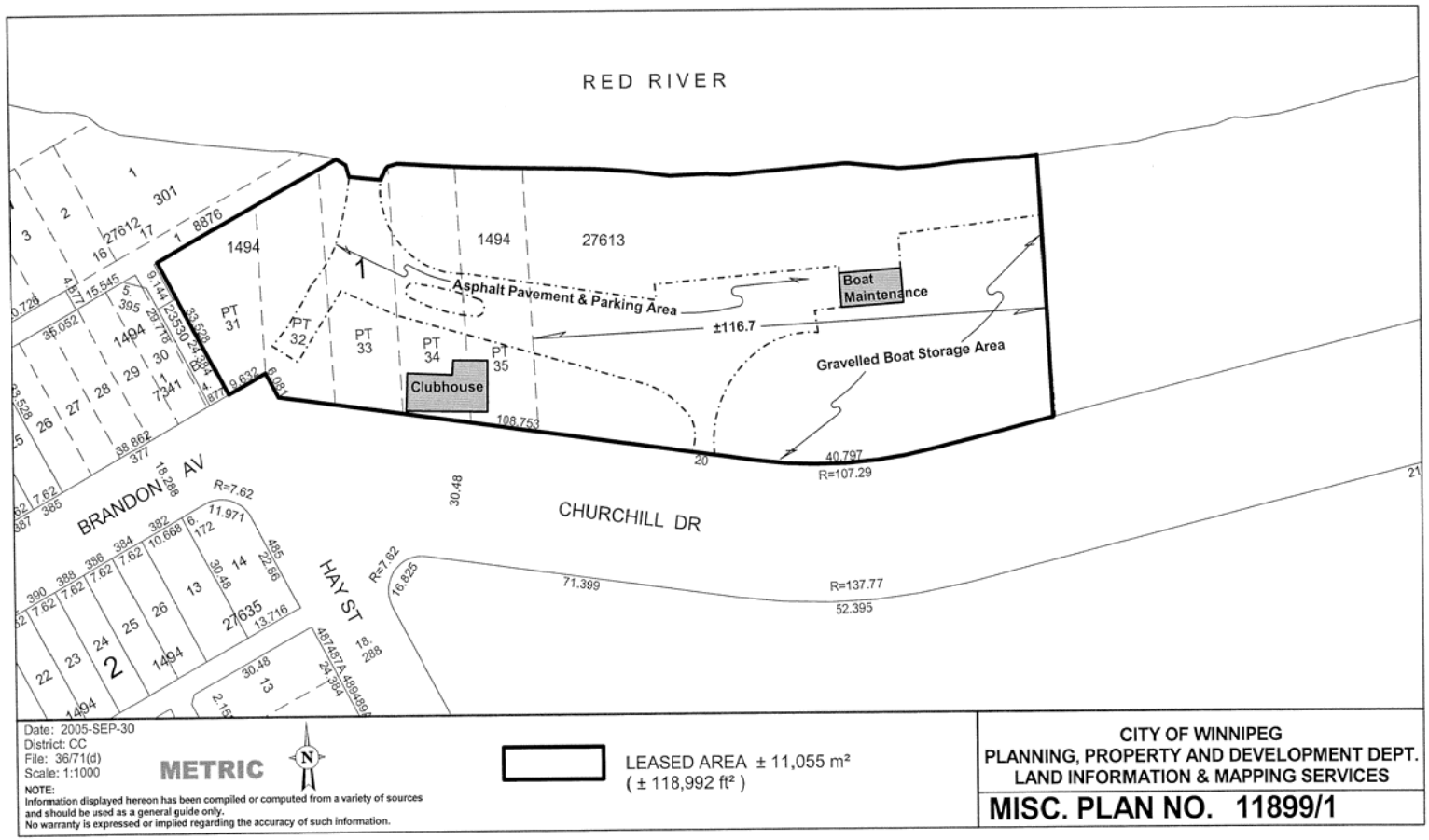
RED RIVER
CHURCHILL DR
BRANDON AV
HAY ST
Asphalt Pavement & Parking Area
Boat Maintenance
Gravelled Boat Storage Area
Clubhouse
±116.7
1494
27613
PT 31
PT 32
PT 33
PT 34
PT 35
R=107.29
R=137.77
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52.395
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30.48
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Date: 2005-SEP-30
District: CC
File: 36/71(d)
Scale: 1:1000
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NOTE:
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No warranty is expressed or implied regarding the accuracy of such information.
LEASED AREA ± 11,055 m²
(± 118,992 ft²)
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PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11899/1