Proposed Additional Lease of a portion of City-owned Property located west of Regatta Road, south of Sun Valley Drive for Playground Purposes - Kinderworld Daycare Inc. -East Kildonan-Transcona Community

File FI-2.2(33) (Vol. 2)

4. The Standing Policy Committee on Property and Development has been advised that the Planning, Property and Development Department has negotiated a Lease Agreement in favour of Kinderworld Daycare Inc. respecting the use of the City-owned property identified as "Additional Lease" on Misc. Plan No. 7764/2.

The subject City-owned property was acquired by dedication from Qualico Developments Limited and is part of a water retention pond site. That portion of the property shown and identified as "Existing Lease" on Misc. Plan No. 7764/2 has been leased since 1990 to Kinderworld Daycare Inc. for the maintenance of a playground in conjunction with its adjoining daycare operation located in the Sun Valley Shopping Centre.

On May 4, 2000, the Standing Policy Committee on Property and Development approved the lease renewal for playground purposes in favour of Kinderworld Daycare Inc. Briefly the terms of lease were for a five (5) year term at an annual rental of $1.00 plus an amount equivalent to realty taxes commencing on April 25, 2000 and expiring on April 24, 2005.

Details of the subject property are as follows:

Location:	West of Regatta Road, south of Sun Valley Drive
Legal Desccription:	Part of Block 18, Plan 12,955
Certificate of Title:	1336603
Realty Roll Number:	04 68416
Assessment:	$3,000.00
Realty Taxes:	Currently Exempt
Zoning:	"PR1" Parks and Recreation District
Site Size:	464.5 square metres (5,000 square feet)

Recently, Kinderworld Daycare Inc. has advised that it wishes to utilize that portion of City-owned lands identified as "Additional Lease" on Misc. Plan No. 7764/2 for the construction and maintenance of a playgound area comprising of a fenced area for games and for riding tricycles.

The Water and Waste Department has indicated that it has no objections to the proposed lease.
The Parks and Open Space Division of the Planning, Property and Development Department advised that they met with the representatives of Kinderworld Daycare Inc. and the area residents to discuss the proposed lease and a lease solution was agreeable to all concerned subject to the following:

- two gates will be locked in the open position when the daycare is not using the space and will be closed but unlocked while the daycare is utilizing the space;
- the tricycle track will be constructed of crushed limestone and will be four (4) feet wide;
- that the fence be constructed to Parks and Open Space specifications at Kinder world's expense;

- that Kinderworld Daycare Inc. maintains the grass within the leased area.

In this regard, the proposed terms and conditions of lease, which Kinderworld Daycare Inc. has agreed to, are as follows:

Term:	Five (5) year term, commencing on a mutually acceptable date
Purpose:	Construction and maintenance of a children's playground area in connection with Kinderworld located in the adjoining Sun Valley Shopping Centre subject to the aforementioned conditions as specified by the Parks and Open Space Division
Rental:	$1.00 per annum, plus an amount equivalent to realty taxes and an administrative fee of $250.00 plus applicable G.S.T.
Insurance:	Comprehensive General Liability Insurance of at least $2,000,000.00 naming the City of Winnipeg as additional insured and containing a Cross Liability Clause
Cancellation:	Ninety (90) days notice by either party

On February 27, 2001, the East Kildonan-Transcona Community Committee considered this matter and referred the matter back to the Administration to report on the possibility of relocating the daycare's current lease on the south side of the building further east to the City-owned lands directly behind the daycare and Regatta Road. Kinderworld Daycare Inc. has confirmed that it wishes to continue its lease identified as "Existing Lease" on the Misc. Plan No. 7764/2 and to enter into an additional Lease Agreement to utilize that portion of City-owned lands identified as "Additional Lease" for the construction and maintenance of a playground area.

On October 9, 2001, the East Kildonan-Transcona Community Committee advised that it had no objection to an additional lease agreement of the City land identified as "Additional Lease", as outlined on Misc. Plan No. 7764/2, for the construction and maintenance of a playground area.

As information, the Real Estate Division of the Planning, Property Development Department has negotiated the proposed rental in accordance with the approved non-profit organization policy (i.e. $1.00 per annum plus an amount equivalent to realty taxes). As the daycare is currently exempt from realty taxes, it is the Planning, Property and Development Department's opinion that an administrative fee be charged in an attempt to recover expenses incurred by the City in formalizing a Lease Agreement. By providing for the collection of an amount equivalent to realty taxes, it should be noted that the proposed rental agreement protects the City's interests should ever any amendments to The Municipal Assessment Act deem the daycare to be taxable.

Pursuant to Section 156(2) of The City of Winnipeg Act, all leases of property designated or acquired for park purposes requires approval of at least two-thirds majority of the Members of Council.

Report of the Standing Policy Committee on Property and Development dated November 1, 2001

The Standing Policy Committee on Property and Development recommends:

I. That a lease agreement in favour of Kinderworld Daycare Inc., for playground purposes within the area shown as "Additional Lease" on Misc. Plan No. 7764/2 be approved, in accordance with the terms and conditions as negotiated; and such other terms and conditions as are deemed necessary by the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services to protect the City's interests and to achieve the intent of Council.

II. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.