Minute No. 177
Report - Standing Policy Committee on Property and Development - January 9, 2007

Item No. 32 **Canoe Club Golf Course – One (1) Year Lease Agreement with Don Ferguson Maintenance Services Ltd.**
File FI-2.2(35)

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That the terms and conditions for a one (1) year Lease Agreement with Don Ferguson Maintenance Services Ltd., as outlined in the report from the Director of Planning, Property and Development dated December 15, 2006, be approved subject to the payment of rent arrears for GST.

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

Report - Standing Policy Committee on Property and Development - January 9, 2007

DECISION MAKING HISTORY:

Moved by Councillor Swandel,
That the recommendation of the Standing Policy Committee on Property and Development be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 17, 2007, the Executive Policy Committee concurred in the recommendations of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On January 9, 2007, 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: Canoe Club Golf Course – Proposed Terms and Conditions for a One (1) Year Lease Agreement with Don Ferguson Maintenance Services Ltd.
Riel Community
St. Vital Ward

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

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

Report date: December 15, 2006

Recommendation(s):

1. That the proposed terms and conditions for a one (1) year Lease Agreement with Don Ferguson Maintenance Services Ltd. as referenced herein, be approved subject to the payment of rent arrears for GST.

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

Report Summary

Key Issues:

- In 2000, the City and Don Ferguson Maintenance Services Ltd. entered into a five-year lease agreement for the operation of the Canoe Club Golf Course.

- Winnipeg Golf Services (WGS) Special Operating Agency (SOA) is currently involved in a study involving the future operation of municipal golf courses. Results of the study will not be implemented in time for the 2007 golf season. In the interim, the SOA requested the Planning, Property and Development Department (Real Estate Division) conduct negotiations for a one (1) year Lease Agreement with Don Ferguson Maintenance Services Ltd. for the 2007 season.

- The Department (Property Sales Branch of the Real Estate Division) is completing the sale of a portion of the former Canoe Club Site. As part of this transaction, the Purchaser is required to construct a parking lot for use by golf course patrons in 2007. Upon completion, the parking lot area will be added to the subject Lease Agreement and the Tenant will be responsible for the maintenance of same.

- The Property Management Branch advises that the Tenant is considered to be a Tenant in good standing and is awaiting a GST payment of $5,884.64.

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 Special Operating Agency – Golf Services requires a lease contract to guide the operations of the Canoe Club Golf Course in 2007.

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):

The proposed lease agreement will result in a cash inflow to the SOA of $50,000.00 in 2007.
The City will continue to receive the payment of realty taxes estimated at $15,873.27 plus GST.

Report

REASON FOR THE REPORT:

In accordance with the City of Winnipeg Charter, the leasing of parkland requires a 2/3-majority vote of Council.

HISTORY:

At its meeting held on May 24, 2006, Council approved the proposed terms and conditions for a two (2) year lease agreement with Don Ferguson Maintenance Services Ltd. for the operation of the Canoe Club Golf Course in accordance with the following:

Owner:	City
Tenant:	Don Ferguson Maintenance Services Ltd.
Location:	Canoe Club Golf Course – Dunkirk Drive
Use:	Operation of a Nine Hole Public Golf Course
Term:	(2) years commencing April 1, 2005
Area:	Misc. Plan RIEL 4750/15
Rent:	(2005) Season $1.00 (2006) Season $50,000.00
Realty Taxes:	Tenant
Cancellation:	Upon (180) days written notice by either party
Insurance:	Tenants to provide separate Property Damage and Comprehensive General Liability in the amount of $5.M dollars including all necessary endorsements, as well as business interruption and all property policies and endorsements as yet to be determined.
Tenant Responsibilities:	To pay all operating costs, to maintain the Leased Lands in good and operating condition; and in accordance with maintenance schedules, no assignment without written consent, no sub-letting without approval of landlord, no placement of signage or advertising without approval of Landlord and no leasehold improvements without approval of the Landlord.

By letter dated November 16, 2006, the Planning, Property and Development Department extended the proposed terms and conditions for a new Lease Agreement to Don Ferguson Maintenance Services Ltd.

Don Ferguson Maintenance Services Ltd. agreed to the proposed terms and conditions on December 6, 2006.

DISCUSSION:

1. Canoe Club Golf Course:

The Canoe Club Golf Course is a 44.9-acre fully improved nine-hole golf course located along the east bank of the Red River, south of the St. Vital Bridge, as shown on the attached Misc. Plan 4750/15. The Course is comprised of three fairways and greens adjacent to the Red River and six treed fairways and greens east of Dunkirk Drive and a Clubhouse/Storage building.

Approximately 20,000 rounds of golf are played at the course each season, primarily by recreation level and seniors golfers, in the local and adjacent communities.

Winnipeg Golf Services recently completed a study regarding the future of municipal golf courses and will be putting forward recommendations shortly. In the interim, the SOA wishes to enter into a lease agreement with Don Ferguson Maintenance Services Ltd., for the operation of the course in 2007.

2. Leasing Issues:

a) Sale of former Canoe Club Clubhouse Site:

Coincident with the leasing of the golf course, the Department is finalizing the sale of a portion of the former Canoe Club site. This includes the sale of the existing parking lot and a portion of the tennis court area as shown on the attached Misc. Plan 4750/15. As part of the sale, the purchaser is required to construct a new parking lot within the tennis court area to provide future parking for golf course patrons. During 2007, the Department will be coordinating the decommissioning of the existing parking lot and construction of a new parking lot between the Purchaser and the golf course Tenant, in order to ensure that parking is available for golf course patrons.

The new parking lot will be constructed on those lands as identified in the attached Misc. Plan 4750/29 as Parcels T1, W1, U1, V1, N1, J1, H1 and will be added to the proposed lease with Don Ferguson Maintenance Services Ltd. upon completion of construction in 2007. The Tenant will be responsible to maintain the parking lot in conjunction with the golf course.

c) Riverbank Stabilization:

The City Waterways Engineer indicates that the riverbank, adjacent to the golf course, has been susceptible to erosion during the past two years, resulting in the loss of portions of fairways 1 and 2. It is anticipated that this erosion will continue. However, the severity of the erosion is dependent on a number of factors including extended channel flooding as experienced in the spring and summer of 2005. In terms of operation of the golf course, additional loss of fairways may be viewed as presenting more of a challenge for holes along the river. The potential impact on greens is of greatest concern and is continually being monitored.

d) Proposed Terms and Conditions for a new Lease Agreement:

The Property Management Branch has reviewed the Lease Agreement for 2006 and determined that Don Ferguson Maintenance Services Ltd. is considered to be a Tenant in good standing. However, the Branch is awaiting a GST payment of $5,884.64 owing on the 2006 Lease Agreement.

With respect to the 2007 season, the Planning, Property and Development Department formulated proposed terms and conditions for a one (1) year Lease Agreement and transmitted same to the Tenant. The Department and Tenant have reached an agreement on the proposed terms and conditions as follows:

Owner:	City
Tenant:	Don Ferguson Maintenance Services Ltd.
Location:	Canoe Club Golf Course – Dunkirk Drive
Use:	Operation of a Nine Hole Public Golf Course
Term:	(1) year commencing April 1, 2007
Leased Lands:	Misc. Plan RIEL 4750/15
Rent:	$50,000.00
Realty Taxes:	Tenant
Cancellation:	Upon (180) days written notice by either party
Insurance:	Tenants to provide separate Property Damage and Comprehensive General Liability in the amount of $5M dollars including all necessary endorsements, as well as business interruption and all property policies and endorsements as yet to be determined.
Tenant Responsibilities:	To pay all operating costs, to maintain the Leased Lands in good and operating condition; and in accordance with maintenance and winterization requirements schedules, no assignment without written consent, no sub-letting without approval of landlord, no placement of signage or advertising without approval of Landlord and no leasehold improvements without approval of the Landlord.
Special Conditions:	To add additional City-owned land identified on the attached Misc. Plan 4750/29 as parcels T1, W1, U1, V1, N1, J1 and H1 to the Leased Lands upon completion of construction on 2007.

Financial Impact Statement

Date: December 13, 2006

Project Name:

First Year of Program 2007

Proposed One Year lease Agreement with Don Ferguson Maintenance Services Ltd. for the Operation of the Canoe Club Golf Course

	2007	2008	2009	2010	2011
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	65,873	-	-	-	-
Net Cost/(Benefit)	$ (65,873)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(65,873)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Incremental revenues consist of the $50,000 annual lease rate, which will be credited to the Golf Services SOA, plus $15,873 in equivalent-to-realty taxes amounts, to be credited to the General Revenue Fund.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Legal Services Division (As to Legal content and structure)

Risk Management Branch

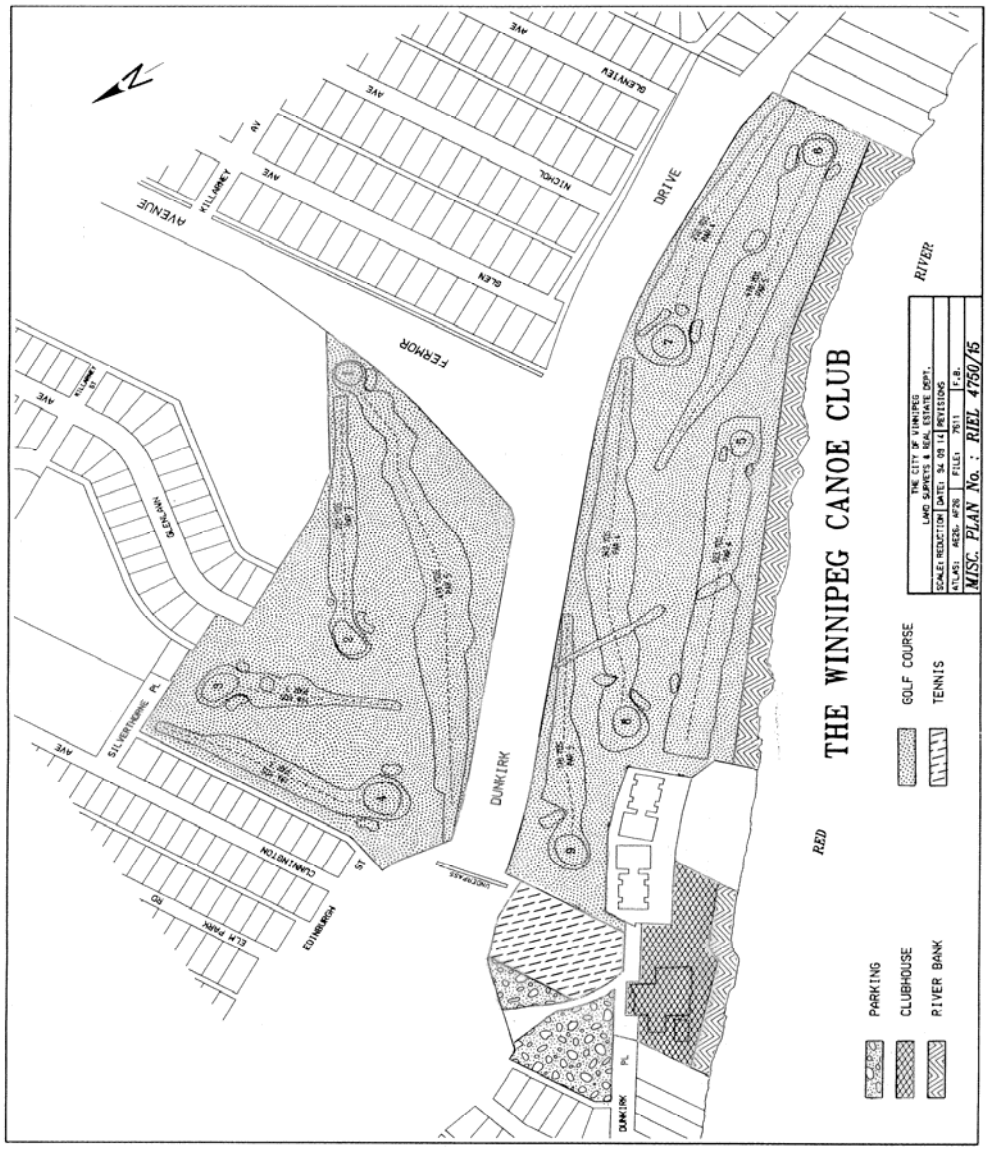
External Consultation With:

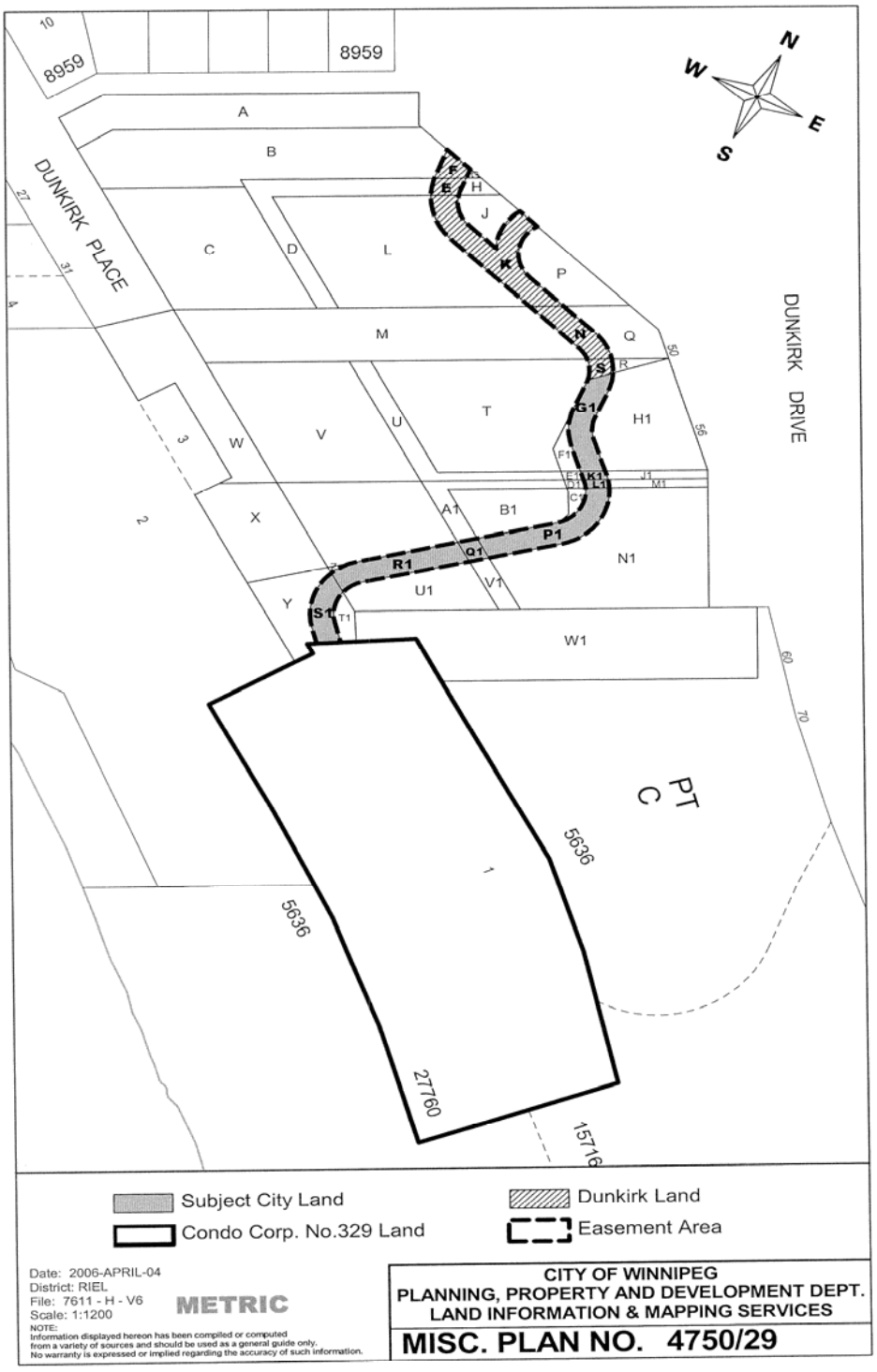
Winnipeg Golf Services Special Operating Agency

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: D. Armstrong
PPD File #: 7611/H V 6

Document name: o:\reports directive\real estate\leasing\(da)canoe club lease renewal 20071.doc


THE WINNIPEG CANOE CLUB
RIVER
RED
DRIVE
AVENUE
FERMOR
DUNKIRK
GOLF COURSE
TENNIS
CLUBHOUSE
PARKING
RIVER BANK
THE CITY OF WINNIPEG
LAND SURVEYS & REAL ESTATE DEPT.
MISC. PLAN No. : RIEL 4750/15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DUNKIRK PLACE
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27760
15716
Subject City Land
Condo Corp. No.329 Land
Dunkirk Land
Easement Area
Date: 2006-APRIL-04
District: RIEL
File: 7611 - H - V6
Scale: 1:1200
METRIC
NOTE:
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 4750/29