Agenda - Council – September 26, 2007

Report - Standing Policy Committee on Property and Development – September 4, 2007

Item No. 16 Legion Memorial Sports Field – Proposed Lease Agreement with the St. James Rods Football Club Inc.
(St James Ward)
File FI-2.3

STANDING COMMITTEE RECOMMENDATION:

On September 19, 2007, 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 new lease agreement between the City and the St. James Rods Football Club Inc. as outlined in the report from the Acting Director of Planning, Property and Development dated August 21, 2007, 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 – September 4, 2007

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 19, 2007, 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 September 4, 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: Legion Memorial Sports Field – Proposed Lease Agreement with the St. James Rods Football Club Inc.
Assiniboia Community
St James Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

ORIGINAL REPORT SIGNED BY: Director of Planning, Property and Development

REPORT DATE: August 21, 2007

RECOMMENDATIONS:

1. That the proposed terms and conditions for a new lease agreement between the City and the St. James Rods Football Club Inc. 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:

- Since 1991, the St. James Rods Football Club Inc. (hereinafter referred to as SJRFC) have been using a portion of the Legion Park Memorial Sports Park for amateur football use under annual facility use agreements.

- Between December 2004 and May 2007, the SJRFC initiated a fund raising program to obtain funds to complete a renovation and expansion of the existing Fieldhouse. As of this date, the SJRFC has committed $90,000 from it's operations and obtained funding from various granting agencies as follows:(1) Community Incentive Grant $90,000 (2) Community Places $30,000 (3) Community Services Council $21,000 and (4) MRIF $205,000 for a total of $436,000.

- In September 2007, the SJRFC plan to start the Fieldhouse project, which includes a 3000 sq. ft. addition to the existing building. The addition will include a new dressing room, equipment storage room, canteen, meeting room, washrooms and showers.

- In the future, the SJRFC also plan to proceed with asphalting the gravel parking lot and driveway using grant funds, and, to establish a practice field on land situated to the west of the Fieldhouse. This proposal will be the matter of a separate report at a later date.

- In early 2007, the SJRFC indicated an interest in establishing a permanent football facility at the Legion Memorial Sports Park Field and requested the exclusive use of an existing City-owned building and football field. The Public Service has reviewed the request and determined that request is feasible.

- The SJRFC and the Public Service have agreed upon the proposed terms and conditions for a ten (10) year Lease Agreement with one – five (5) year renewal option as referenced herein. As part of these negotiations, the Public Works Department agreed to continue providing annual parking lot maintenance, grass cutting as per the normal cutting cycle, and to pay for the cost of a new furnace in the Fieldhouse building.

- The proposed occupancy is a non-profit amateur sports use of an existing City-owned building and football field, which lies within the recreation and sports programming umbrella of the City and as such, the subject occupancy was included in By-law 89/2005 approved by Council on April 25, 2005.

- **Implications of the Recommendation(s):**

  General Implications

  ( ) None

  (x) For the organization overall and/or for other departments

  (x) For the community and/or organizations external to the City

  ( ) Involves a multi-year contract

  Comment(s):

  The proposed lease agreement will provide for the SJRFC to evolve from a “Facility User” to a “Tenant” with exclusive use and the site responsibilities related thereto.

  This position is in accordance with the approach of encouraging local specialized sport groups to be autonomous and self-sufficient in the long term.

  Policy Implications

  (x) No

  ( ) Yes

  Comment(s):

Regulatory Implications

(x) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

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):

The proposed terms and conditions of a lease will eliminate the existing Public Works Department requirement to maintain the Fieldhouse building and football field located at Legion Memorial Sports Park, excepting the requirement to maintain the external washrooms.

Report

REASON FOR THE REPORT:

Council approval of the proposed lease in favour of the St. James Rods Football Club Inc. for the use of the City-owned lands identified as “Leased Area” on Misc. Plan No. 11010/3 is required being as the initial term is greater than five years.

HISTORY:

Since 1991, the SJRFC have been using the Fieldhouse and football field at the Legion Memorial Sports Park.

The Assiniboia Community Committee approved a request from the SJRFC for a Community Incentive Grant in the amount of $90,000 towards the cost of undertaking certain renovations to the Clubhouse.

In May 2007, the SJRFC initiated a request to enter into a lease agreement for the use of the Fieldhouse and football field located at the Legion Memorial Sports Park.

On June 22, 2007, the SJRFC agreed to the proposed terms and conditions for a lease agreement.

DISCUSSION:

1. Background:

The Legion Memorial Sports Park is situated north of Silver Avenue and west of Inglewood Street. The site is improved with a Fieldhouse, gravelled parking lot, running track, football field and baseball diamonds.

The site is under the jurisdiction of the Public Works Department and the use of the facility is booked through the Community Services Department. Facility Users currently access washrooms located along the west wall of the Fieldhouse. These washrooms are maintained and operated by the Public Works Department and will not be impacted by the proposed renovation and expansion of the Fieldhouse building.

The Fieldhouse and football field are used by the SJRFC, consisting of 10 teams and 330 players.

Between December 2004 and 2007, the SJRFC initiated a capital campaign to obtain funding to complete a renovation and expansion to the existing Fieldhouse. As of this date, the SJRFC has raised $90,000 of its own funds and obtained the following grants:

Equity	
(1) SJRFC Equity	$ 90,000
Grants	
(2) Community Incentive Grant	$ 90,000
(3) Community Places	$ 30,000
(4) Community Services Council	$ 21,000
(5) MRIF	$205,000
Total	$436,000

SJRFC intends to proceed with the renovation and expansion of the Fieldhouse in September 2007. The proposed works involve a 3000 sq. ft. addition, which is comprised of a new dressing room, equipment storage room, canteen, meeting room and new player washroom/showers.

In addition, the SJRFC has advised that it intends to proceed with additional site works including the asphalting of the existing gravel parking lot and driveway and to establish a practice field upon City-owned lands situated to the west of the Fieldhouse. This will be the subject of a future report.

2. Proposed Terms and Conditions for a Lease Agreement:

In May 2007, the St. James Rods Football Club Inc. initiated a request to enter into a lease agreement with the City for the use of the Fieldhouse and football pitch located at the Legion Park Memorial Sports Park as shown on the attached Misc. Plan 11010/3.

As part of the negotiation, the SJRFC agreed to the acceptance of the Fieldhouse and football field in an “as is” condition on the following basis:

SJRFC agrees to:

- Maintain and operate the Fieldhouse and football field at its sole cost and expense; and,
- To carry out approximately $435,000 in repairs/ expansion to the Fieldhouse

City agrees to:

- to replace the existing furnace in the Fieldhouse;
- to continue providing exterior washroom maintenance and supplies for external users of the Fieldhouse;
- to provide grass cutting of the field as part the normal cutting cycle; and,
- to continue providing annual parking lot maintenance of the gravel parking lot.

Pursuant to the above, the Public Service and the St. James Rods Football Club Inc. have agreed upon the proposed terms and conditions for a lease agreement outlined as follows:

Landlord:	City of Winnipeg
Tenant:	St. James Rods Football Club Inc.
Leased Lands:	Portion of Legion Memorial Sports Park and Fieldhouse as shown on the attached Misc. Plan 11010/3
Use:	Amateur Football
Term:	Ten (10) years commencing July 1, 2007
Renewal:	One-Five (5) year option
Rent:	$1.00 plus GST
Realty Taxes:	By-law 89/2005 List (April25, 2005)
Admin Fee:	$500.00 per annum
Cancellation:	Upon one hundred eighty days (180) days written notice by either party
Insurance:	Tenants to provide Comprehensive General Liability in the amount of $5.0 Million dollars all inclusive including all necessary endorsements, All Risk Property Insurance for all buildings, contents, stock and equipment, as well as, boiler and machinery insurance policy.
Tenant Responsibilities:	To pay all operating costs, to maintain the Leased Lands in a good and operating condition and in accordance with Maintenance Schedules to be finalized, 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 ensure that any building expansion provides for washroom access to the general public during the normal operating hours of the park. To be allowed to install a scoreboard and field lighting in the future subject to the approval of the Landlord
City Responsibilities:	To provide grass cutting in accordance with the Public Works Department grass cutting cycle and to maintain the graveled parking lot. To continue operating the public washrooms at the building including maintenance, supplies and opening and closing.

3. Community Groups Occupying City Owned Property By-law 89/2005:

At its meeting held on April 25, 2005, Council approved the Community Groups Occupying City-owned Property By-law 89/2005, which included the subject occupancy.

4. Summary Comments:

The St. James Rods Football Club Inc.'s request to enter into a lease agreement represents an evolution from "Facility User" to a "Tenant". The Public Service supports the efforts of the SJRFC to manage, operate, and develop the Fieldhouse and football field as part of an approach for the long-term operation of specialized sport facilities which are not operated by the City.

The proposed lease framework will likely provide for operational cost savings to the Public Works and Community Services Departments by not having to assume the cost of building maintenance, repairs and utilities estimated at $7,608.00. In addition, the Departments will incur additional savings by eliminating the annual cost of aeration, fertilizing, inter-cycle lawn cutting, irrigation, seeding and field repairs estimated at $3,703.10.

The proposed terms and conditions of lease are representative of existing arrangements with other amateur football organizations such as the East Side Eagles and St Vital Mustangs and planned agreements with the Charleswood Broncos and the North Winnipeg Nomads.

Financial Impact Statement

Date: August 17, 2007

Project Name:
Legion Memorial Sports Park

First Year of Program

	2008	2009	2010	2011	2012
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ (11,311)	$ (11,311)	$ (11,311)	$ (11,311)	$ (11,311)
Less: Incremental Revenue/Recovery	500	500	500	500	500
Net Cost/(Benefit)	$ (11,811)	$ (11,811)	$ (11,811)	$ (11,811)	$ (11,811)
Less: Existing Budget Amounts	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

The proposed lease agreement will result in a cost savings of $11,311 per annum to the Public Works Dept. This savings will be re-allocated to alternate service improvements. In addition, the proposed annual administration fee of $500 will be colected by Planning, Property & Development Department.

original signed by
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Public Works

Internal Services Department - Legal Services Division (as to legal issues)

Property Assessment

Corporate Finance

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Department Planning, Property and Development
Division Real Estate
Prepared by: D. Armstrong
PPD File No. 8189

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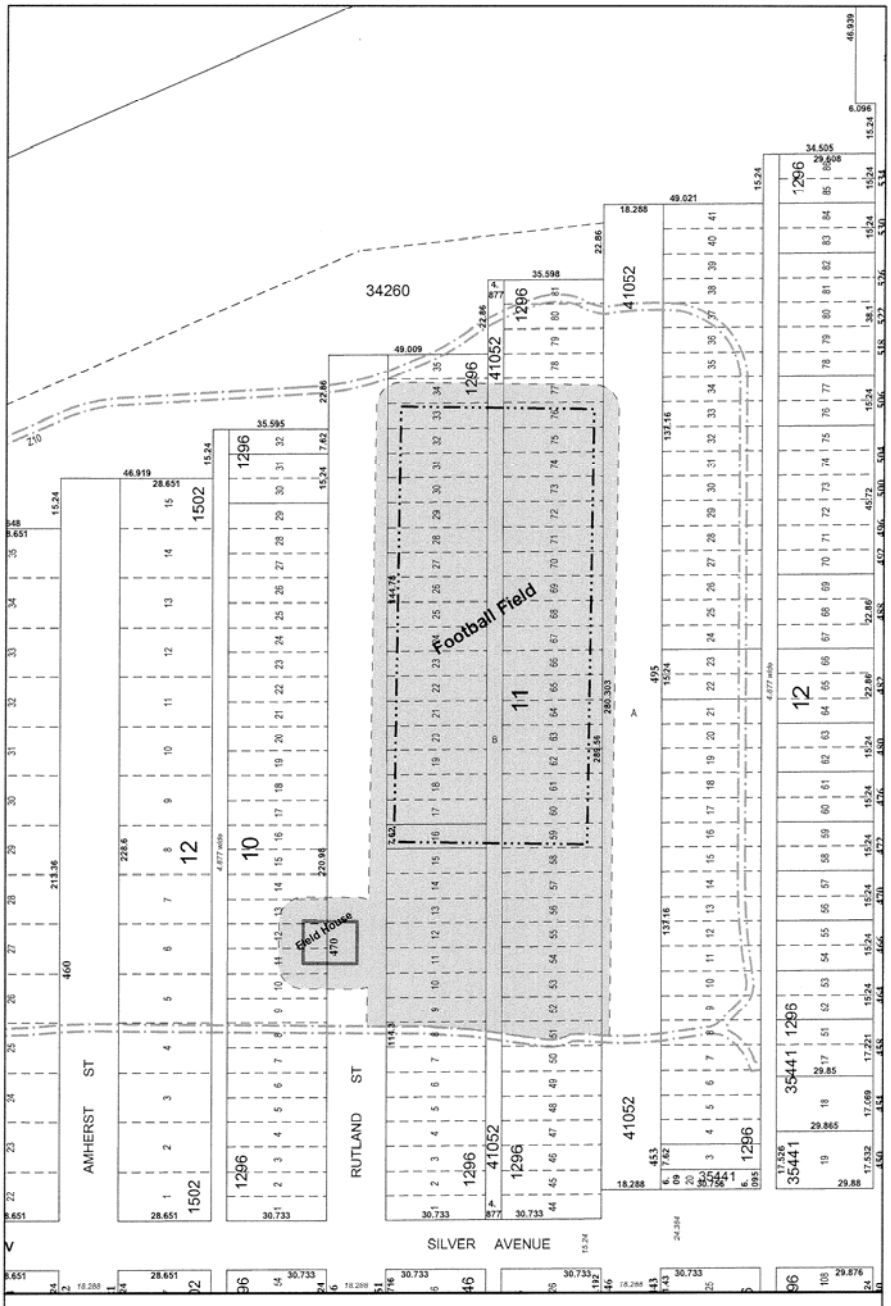

PROPOSED LEASE: ST. JAMES RODS FOOTBALL CLUB INC.
Area: ±15628.8 m² (±168227 ft²)

METRIC

Date: 2007-AUG-13
District: ASBA
File: 8562
Scale: 1:1500

NOTE:
Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.

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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES

MISC. PLAN NO. 11010 / 3