Report - Standing Policy Committee on Property and Development – October 30, 2007

Item No. 14 Lease Agreement - 112 Ashland Avenue – Riverview Ashland Child Care Centre Inc.
(Fort Rouge-East Fort Garry Ward)
File FI-2.2(32)

STANDING COMMITTEE RECOMMENDATION:

On November 14, 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 a lease in favour of Riverview Ashland Child Care Centre Inc. to use a portion of the City-owned facility and lands located at 112 Ashland Avenue shown as '112 Ashland Avenue-Riverview Ashland Child Care Centre Inc.' on Misc. Plan No. 12816/1, be approved in accordance with the terms and conditions as outlined in the report from the Director of Planning, Property and Development dated October 17, 2007; and any other terms and conditions as are deemed necessary by the Director of the Planning, Property and Development Department and City Solicitor/Manager of Legal Services, to protect the City's interest.

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

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 14, 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 October 30, 2007, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

RE: **Proposed Lease Agreement of City-Owned Facility and Lands Located at 112 Ashland Avenue – Riverview Ashland Child Care Centre Inc.**
City Centre Community
Fort Rouge-East Fort Garry Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

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

REPORT DATE: October 17, 2007

RECOMMENDATION:

1. That a proposed lease in favour of Riverview Ashland Child Care Centre Inc. to use a portion of the City-owned facility and lands located at 112 Ashland Avenue shown as '112 Ashland Avenue-Riverview Ashland Child Care Centre Inc.' on Misc. Plan No. 12816/1 attached, be approved in accordance with the terms and conditions as outlined herein; and any other terms and conditions as are deemed necessary by the Director of the Planning, Property and Development Department and by the City Solicitor/Manager of Legal Services to protect the City's interest.

2. 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:

- Riverview Ashland Child Care Centre Inc. has been occupying the City-owned building since February 13, 1987 shown as '112 Ashland Avenue – Riverview Ashland Child Care Centre Inc.' on Misc. Plan No. 12816/1 attached, for daycare purposes.
- The Planning, Property and Development Department circulated the request for a new lease and determined that the Community Services Department and Public Works Department have no objection to entering into a new lease with Riverview Ashland Child Care Centre Inc.
- The Corporate Finance Department, Risk Management Branch, reviewed the insurance requirements for this proposed occupancy and their comments have been incorporated into the proposed terms and conditions for a new lease.
- The Tenant wishes to enter into a new ten (10) year lease agreement for the use of the subject property. Accordingly, the Planning, Property and Development Department has reviewed the subject request, negotiated appropriate terms and conditions for a new lease and are supportive of the subject request.

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 continued use of the City-owned facility at 112 Ashland Avenue for daycare purposes is supported by the Riverview Community Centre and is a valued service within the local neighbourhood.
- The use of the unallocated day-time capacity within a community centre is supported by the Public Service.

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):

Report

REASON FOR THE REPORT:

In accordance with the Council Order of July 18, 1979, the Standing Policy Committee on Property and Development shall authorize the leasing of City properties for which the Director of the Planning, Property and Development Department has no authority. In this regard, the Department has negotiated a lease in favour of Riverview Ashland Child Care Centre Inc. for the use of the City-owned property shown as '112 Ashland Avenue–Riverview Ashland Child Care Centre Inc.' on Misc. Plan No. 12816/1 attached.

This report seeks Committee's approval of the lease as negotiated.

HISTORY:

In 1985, Riverview Ashland Child Care Centre Inc. (hereinafter referred to as Riverview Ashland) submitted an application to the Core Area Initiative for assistance in the construction of an addition to the existing building on the City-owned land, shown as '90 Ashland Avenue-Riverview Community Centre' on the attached Misc. Plan No. 12816/1.

As implementing jurisdiction on behalf of the three parties to the Core Area Initiative Agreement (executed on September 4th, 1981), the City agreed to contribute the sum of $150,000.00 toward the construction of the addition.

By way of an Agreement dated April 8th, 1986, Riverview Ashland agreed to lease the City-owned facility for use as a daycare centre for a period ten (10) years. The Agreement has been in an overholding status since 1996.

Particulars of the subject property are as follows:

Owner:	City of Winnipeg
Location:	SE corner of Ashland Avenue and Eccles Street
Legal Description:	Lot 19, Plan 5316
Certificate of Title:	752451
Realty Roll No.	12000358000
Site Size:	±293 m² (±3,160 ft²)

Riverview Ashland was responsible for all costs of managing, operating and maintaining the Facility in good repair both during construction and upon completion thereof, including but not limited to, the total costs of:

(a) cleaning, including snow removal, garbage and waste collection and disposal; lighting, electrical, public utilities, real property taxes, loudspeakers, public address

and musical broadcasting systems; policing, supervising and security;

(b) repairs and replacements to and maintenance of the Facility including, but not limited to, the cost of maintenance and repair of the roof, plumbing, electrical and flooring.

The City was to provide technical assistance to Riverview Ashland in the selection of its consultants, in reviewing the plans and specifications prepared by consultants, in the selection of the contractors to carry out the approved work and to provide Riverview Ashland with the form of contract documents to be used by it to retain its consultants and to hire its contractors and sub-contractors.

DISCUSSION:

Riverview Ashland is a non-profit incorporated daycare operation and has been occupying the City-owned facility located at 112 Ashland Avenue since 1986. Riverview Ashland is considered to be a tenant in good standing and has produced a valid certificate of insurance, a fire inspection certificate, a valid provincial daycare license and a current set of financial statements. The Tenant wishes to enter into a new ten (10) year lease agreement for the exclusive use of the facility located at 112 Ashland Avenue.

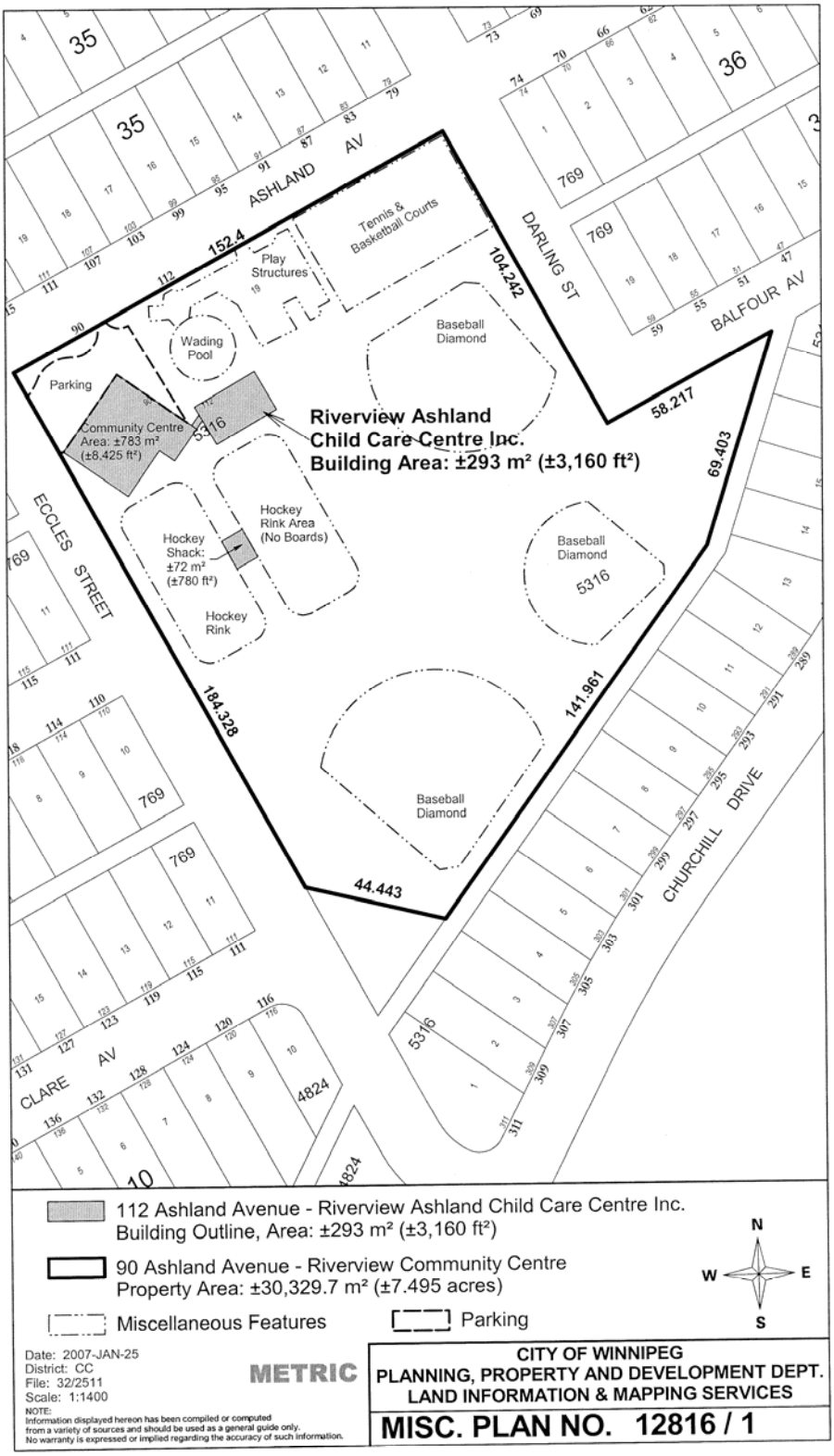
Upon receipt of the request, the Planning, Property and Development circulated the request to the Community Services Department, the Public Works Department and the Corporate Finance Department's Risk Management Branch to determine if the City should enter into a new lease agreement and to identify all leasing issues.

A site inspection was conducted by the Planning, Property and Development Department and the structure was found to be well maintained.

The proposed terms and conditions of a new lease agreement with Riverview Ashland, which have been accepted by Riverview Ashland, are as follows:

Term:	Ten (10) year term commencing April 8th, 2006
Purpose:	Operation of a daycare
Leased Lands:	City-owned Building located at 112 Ashland Avenue as shown on the attached Misc. Plan No. 12816/1
Rent:	$1.00 per annum, plus applicable GST
Realty Taxes:	Exempt under the Manitoba Municipal Assessment Act-Daycares
Maintenance:	Lessee required to pay all operating and maintenance costs associated with its exclusive use of the portion of the building
Insurance:	Property and Liability insurance requirements have been updated by the Risk Management Branch as deemed appropriate to cover the scope, terms and conditions of the agreement
Cancellation:	Default
Special Conditions:	Tenant is required to provide copies of a daycare license, fire inspection report and financial statement

A proposed new lease agreement with Riverview Ashland for the use of a portion of the City-owned building located at 112 Ashland Avenue is recommended for approval in accordance with the proposed terms and conditions as outlined here.


ASHLAND AV
DARLING ST
BALFOUR AV
ECCLES STREET
CHURCHILL DRIVE
CLARE AV
Tennis & Basketball Courts
Play Structures
Wading Pool
Baseball Diamond
Parking
Community Centre Area: ±783 m² (±8,425 ft²)
5316
Riverview Ashland Child Care Centre Inc.
Building Area: ±293 m² (±3,160 ft²)
Hockey Rink Area (No Boards)
Hockey Shack: ±72 m² (±780 ft²)
Hockey Rink
Baseball Diamond
Baseball Diamond
152.4
104.242
58.217
69.403
141.961
44.443
184.328
112 Ashland Avenue - Riverview Ashland Child Care Centre Inc.
Building Outline, Area: ±293 m² (±3,160 ft²)
90 Ashland Avenue - Riverview Community Centre
Property Area: ±30,329.7 m² (±7.495 acres)
Miscellaneous Features
Parking
N
W
E
S
Date: 2007-JAN-25
District: CC
File: 32/2511
Scale: 1:1400
METRIC
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.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12816 / 1

Financial Impact Statement Date: October 11, 2007

Project Name:

Proposed Lease Agreement of City-Owned Facility and Lands Located at 112 Ashland Avenue – Riverview Ashland Child Care Centre Inc.

COMMENTS:

The recommendations in this report include that a proposed lease in favour of Riverview Ashland Child Care Centre Inc. to use a portion of the City-owned facility and lands located at 112 Ashland Avenue shown as '112 Ashland Avenue-Riverview Ashland Child Care Centre Inc.' on Misc. Plan No. 12816/1 attached, be approved in accordance with the terms and conditions as outlined herein; and any other terms and conditions as are deemed necessary by the Director of the Planning, Property and Development Department and by the City Solicitor/Manager of Legal Services to protect the City's interest.

There are no material financial implications associated with this recommendation.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Community Services Department
Public Works Department
Corporate Finance Department
Corporate Services - Legal Services Division

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Department Planning, Property and Development Department
Division Real Estate Division
Prepared by: Maxine Clayton
PPD File No. 32/2511

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