**Agenda - Executive Policy Committee - July 9, 2008**

**Report - Standing Policy Committee on Property and Development - June 24, 2008**

**Item No. 30 Lease Renewal 489 London Street - Monroe Library**
**(Elmwood-East Kildonan Ward)**
**File FI-2.3(33)**

STANDING COMMITTEE RECOMMENDATION:

On June 24, 2008, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the lease renewal for Monroe Library, 489 London Street, be approved in accordance with the terms and conditions as contained in Schedule "A" to the report from the Director of Planning, Property and Development dated June 18, 2008, incorporating such other terms and conditions deemed necessary by the City Solicitor/Manager of Legal Services in order to fulfill the intent of Council.

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

**Agenda - Executive Policy Committee - July 9, 2008**

**Report - Standing Policy Committee on Property and Development - June 24, 2008**

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 24, 2008, 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: Lease Renewal 489 London Street – Monroe Library**

**FOR SUBMISSION TO: Standing Policy Committee on Property and Development**

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

**REPORT DATE: June 18, 2008**

**RECOMMENDATION:**

That the proposed lease renewal for Monroe Library - 489 London Street be approved in accordance with the terms and conditions as contained in Schedule "A" incorporating such other terms and conditions deemed necessary by the City Solicitor in order to fulfill the intent of Council.

## Report Summary

**Key Issues:**

- The current lease at 489 London Street will expire August 31, 2008.
- The Library wishes to renew 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

( ) 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

Comment(s):

**Environmental Implications**

(x) No

( ) Yes

Comment(s):

**Human Resources Implications**

(x) No

( ) Yes

Comment(s):

**Financial Implications**

( ) Within approved current and/or capital budget

(x) Current and/or capital budget adjustment required

Comment(s):

The lease renewal is effective September 1, 2008, thereby requiring $4,000 in 2008. The Community Services Department will offset the incremental civic accommodations cost through expenditure reductions in other areas. The requirement for increased funding from 2009 onward will be included in the Department's 2009 to 2011 operating budget submission. Note that the annualized increase from 2009 through 2018 will be $12,000.

## Report

**REASON FOR THE REPORT:**

Pursuant to By-Law No. 7100/97, the Standing Policy Committee on Property and Development has been delegated authority to approve leases and lease renewals of ten years or less that are less than $1 million net rent over the lease term.

If a lease is more than 10 years or if its net cost to the City, excluding operating costs and tenant improvements, is greater than one million dollars over the lease term, the lease shall be submitted for review by Council. Therefore, this lease renewal requires Council approval.

**HISTORY:**

In 1988 the former Committee on Finance and Administration authorized the lease of 8,000 square feet in the strip mall at 489 London Street, for the Monroe Library, located at the S/E corner of London Street at Munroe Avenue. This lease was renewed in 1998 for a further ten year term, which expires on August 31, 2008.

**DISCUSSION:**

After lengthy negotiations the landlord has agreed to a renewal of the existing lease for a 10 year term. The terms and conditions of the proposed lease are outlined Schedule "A" (attached).

The existing lease, signed in 1998, is $11.00 per square foot. The proposed lease renewal is $12.50 per square foot, representing an increase of $1.50 per square foot or $12,000.00 per annum.

## Financial Impact Statement

**Date:** June 12, 2008

**Project Name:**

Lease Renewal 489 London Street – Monroe Library

**First Year of Program** **2008**

| | 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 | $ 83,333 | $ 200,500 | $ 201,703 | $ 202,913 | $ 204,131 |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ 83,333 | $ 200,500 | $ 201,703 | $ 202,913 | $ 204,131 |
| Less: Existing Budget Amounts | 83,333 | 188,500 | 189,703 | 190,913 | 192,131 |
| Net Budget Adjustment Required | $ - | $ 12,000 | $ 12,000 | $ 12,000 | $ 12,000 |

**Additional Comments:** The lease renewal is effective September 1, 2008. The required $4,000 in 2008 will be offset by expenditure reductions in other areas. A net tax-supported budget adjustment will be required from 2009 onward. The request for additional mill rate support will be included in the Community Services Department's 2009 to 2011 operating budget submission. Note that there is an annualized increase of $12,000 from 2009 through 2018.

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

**IN PREPARING THIS REPORT THERE WAS:**

**Internal Consultation With and Concurrence By:**
Community Services Department

**External Consultation With:**
N/A

**THIS REPORT SUBMITTED BY:**

Department: Planning, Property and Development
Division Civic Accommodations
Prepared by: Sandi Caputo, CLO
PPD File No. CAD #2008-023

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## SCHEDULE "A" – MONROE LIBRARY – 489 LONDON STREET

The proposed terms and conditions of the lease renewal are as follows:

**Location:** 489 London Street, Winnipeg, Manitoba

**Lessor:** 2504014 Manitoba Ltd.

**Lessee:** The City of Winnipeg

**Area:** 8,000 square feet

**Term:** 10 year term, September 1, 2008 to August 31, 2018

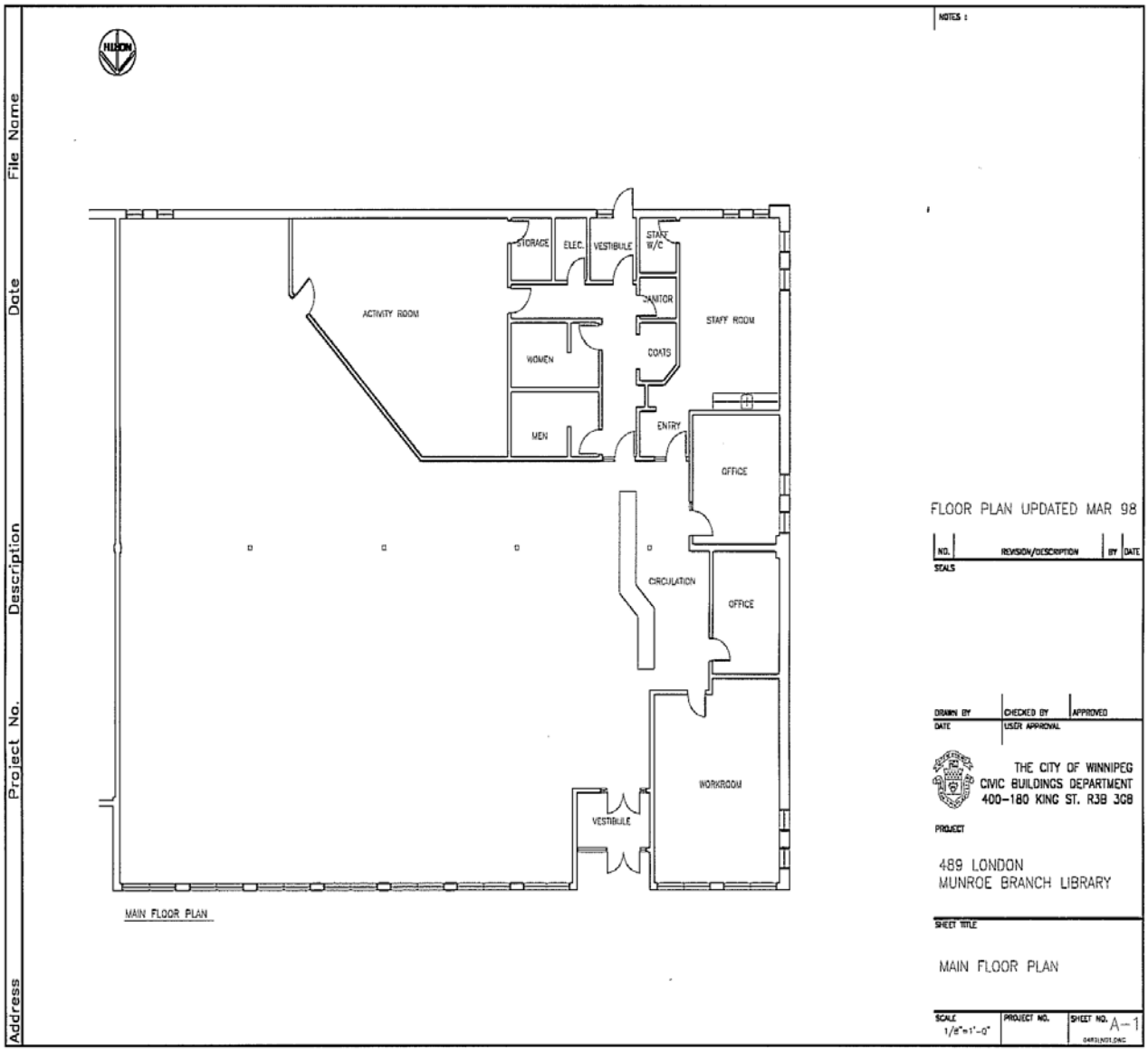
**Net Rent:** $12.50 per square foot/$8,333.333 per month/ $100,000.00 per annum plus applicable GST

**Added Rent:** The City is responsible for all operating costs, including realty taxes estimated at $6.81 per square foot or $54,500 per annum

All other terms and conditions to remain the same.

Sketch Plan attached as Schedule "B".

# SCHEDULE “B”


File Name
Date
Description
Project No.
Address
NOTES :
STORAGE
ELEC.
VESTIBULE
STAFF W/C
JANITOR
STAFF ROOM
ACTIVITY ROOM
WOMEN
COATS
MEN
ENTRY
OFFICE
CIRCULATION
OFFICE
WORKROOM
VESTIBULE
MAIN FLOOR PLAN
FLOOR PLAN UPDATED MAR 98
NO.
REVISION/DESCRIPTION
BY
DATE
SEALS
DRAWN BY
CHECKED BY
APPROVED
DATE
USER APPROVAL
THE CITY OF WINNIPEG
CIVIC BUILDINGS DEPARTMENT
400–180 KING ST. R3B 3C8
PROJECT
489 LONDON
MUNROE BRANCH LIBRARY
SHEET TITLE
MAIN FLOOR PLAN
SCALE
1/8"=1'-0"
PROJECT NO.
SHEET NO.
A-1