Minutes – Executive Policy Committee – September 21, 2011

Minute No. 469
Report – Standing Policy Committee on Property and Development – September 13, 2011

Item No. 11 Lease Renewal – 131 Provencher Boulevard – St. Boniface Library (St. Boniface Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 Lease Renewal of the St. Boniface Library at 131 Provencher Boulevard be approved in accordance with the terms and conditions outlined on Schedule A, and any other conditions deemed necessary by the Legal Services Department to protect the interests of the City.

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

Minutes – Executive Policy Committee – September 21, 2011

Report – Standing Policy Committee on Property and Development – September 13, 2011

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2011, 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.

ADMINISTRATIVE REPORT

Title: Lease Renewal – 131 Provencher Blvd. – St. Boniface Library

Critical Path: Standing Policy Committee on Property and Development – EPC - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Thorgrimson	B. Thorgrimson	M Ruta Chief Financial Officer	D Joshi Chief Administrative Officer

RECOMMENDATIONS

1. That the proposed Lease Renewal of the St. Boniface Library at 131 Provencher Blvd., be approved in accordance with the proposed terms and conditions outlined on the attached Schedule A, and any other conditions deemed necessary by Legal Services to protect the interests of the City.

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

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 or rental of City properties for which the Director of Planning, Property and Development Department has no authority.

Council approval is required on leases having a term of over 10 years or which have a gross value over $1,000,000.00 over the original term of the lease.

IMPLICATIONS OF THE RECOMMENDATIONS

- The Department has determined that there is no policy, regulatory, environmental or human resource implications to the lease as set out in the attached Offer to Lease.
- Acceptance of the proposal and subsequent signing of the lease agreement commits the City to a long term contract (10 years).

HISTORY

The St. Boniface Library commenced its lease in the newly constructed building at 131 Provencher on July 1, 1987. The initial term was for 10 years at a rental rate of $12.25 per square foot/$175,003.56 per year plus added rent (proportionate share of operating costs, realty taxes, utilities, maintenance and janitorial) and applicable GST. The lease agreement called for two options to renew, each for five years.

The Committee on Finance and Administration at its meeting held May 9, 1997, approved the first option to renew and extended the term from July 1, 1997 to June 30, 2002. This renewal term was at a rental rate of $11.50 per square foot and allowed for one half of the replacement cost of the carpeting. The Standing Policy Committee on Property and Development at its meeting held January 10, 2002, approved the renewal of the library for an additional 5 years, expiring on June 30, 2007. Rental rate of $11.50 per square foot was the same as the previous renewal period.

On June 6, 2006, the Standing Policy Committee on Property and Development approved the lease renewal for 5 years at the $11.50 per square foot. This lease renewal expires on June 30, 2012.

Library Services wish to remain at this location however, they require a new entrance to the second floor of the library to allow library patrons access to the passenger elevators. The Landlord, has agreed to provide an entrance with double glass doors with side lights and automatic handicap door opener, at its own expense. This work is outlined as Schedule B and such work shall be completed prior to the expiry of the existing lease agreement on June 30, 2012.

The Landlord previously provided 20 parking stalls, which shall be reduced to eleven (11) parking stalls on the existing paved parking lot located on Tache Avenue.

The Library Services Division of Community Services Department concurs with the negotiated terms and condition in the attached Schedule A.

The Public Service recommends the approval of the proposed lease agreement as negotiated.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 25, 2011

Project Name: **First Year of Program** **2012**

Lease Renewal – 131 Provencher Blvd. – St. Boniface Library

	2012	2013	2014 to 2016	2017 to 2019	2020 to 2022
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	83,002	166,004	505,155	568,727	477,510
Net Cost/(Benefit)	$ (83,002)	$ (166,004)	$ (505,155)	$ (568,727)	$ (477,510)
Less: Existing Budget Amounts	(82,145)	(164,290)	(492,870)	(492,870)	(410,725)
Net Budget Adjustment Required	$ (857)	$ (1,714)	$ (12,285)	$ (75,857)	$ (66,785)

Additional Comments: Lease revenue in 2012 has been prorated for the July 1 commencement date. Similarly, existing budget (calculated at current rate of $11.50/sq. ft.) has been prorated. Lease revenues from 2013 to the June 30, 2022 lease termination date have been calculated as per Schedule A attached. Existing budget for this timeframe is assumed to be constant (calculated at current rate of $11.50/sq. ft.).

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

CONSULTATION

In preparing this report there was consultation with:

Community Services Department

SUBMITTED BY

Department Planning, Property and Development
Division Real Estate
Prepared by: Sandi Caputo
Date: August 26, 2011
File No. O:\Reports Directive\Real Estate\Leasing\(sc) 131 Provencher Blvd. - Library Lease Renewal 2012.doc

St. Boniface Library – Lease Renewal
Schedule "A"

Landlord/Owner:	131 Provencher Holdings Ltd.
Location:	131 Provencher Boulevard, north east corner of Provencher Boulevard at Tache Ave.
Legal Description:	Lot 11, Plan 29723, Parish 76 St. Boniface
Certificate of Title	1987132
Realty Roll No:	06060331000
Property Description	Centre-Ville – a three storey office and retail building, fronting Provencher Boulevard and Tache Ave. originally constructed in 1987.

Rental Rate:

July 1, 2012 – June 30, 2016	$11.62 per square foot, $166,003.32 per annum
July 1, 2016 – June 30, 2019	$12.62 per square foot, $180,289.32 per annum
July 1, 2019 – June 30, 2022	$13.37 per square foot, $191,003.82 per annum

Term:	10 years from July 1, 2012 to June 30, 2022
Other:	Landlord to install double glass doors with side lights and automatic handicap door opener, at its own expense. Landlord to reduce the number of parking stalls from 20 to 11 parking stalls to be located in the paved lot on Tache. The reduced number of parking stalls included in the lease, was reflected by a $.38 psf reduction in the lease rate.

SCHEDULE "B"

WINNPRO

May 26, 2011

email

Mr. Laurent Soret
Rancho Realty Services
One Dr. David Friesen Drive
Winnipeg, Manitoba
R3X 0G8

Re; 131 Provencher

Dear Laurent,

We are please to provide you with a quote for the addition of a glass entrance way to the second floor of Library at 131 Provencher.

Our price is $23,544.00 Gst extra

Scope of work is as follows:

- Hoarding around area where door way is to be installed in Library
- Dust protection
- Relocation of any electrical wiring in the wall if required
- Drywall repair to hallway and inside Library
- Patch and paint wall from corner to corner
- Floor repairs if required
- Slim line aluminium threshold between doors
- 1 - 120" x 86" - Clear anodized Aluminium entrance frames
- 2 - 36" Clear anodized commercial grade aluminium doors (1 In and 1 Out)
- 2 - 24" Side lites 1 on each side of door
- Clear tempered glass
- Hardware for hinges and cylinder locks
- 2 – Horton Automatics 4100 Series Used for one way traffic
- 2 – Vista Activating Safety beams
- Electrical wiring for automatics
- Control wiring from doors to front desk for entry acceptance.
- After hour work depending on noise level
- General conditions, Insurance and Permit if required

Winnipeg Construction Association

COR CERTIFIED Safety Program

SAFE WORK