Minutes - Executive Policy Committee - May 21, 2003

Reports - Standing Policy Committee on Property and Development - May 12, 2003

Minute No. 254
Item No. 3 Proposed Lease of Additional Land at the Pan Am Pool to the Winnipeg Regional Health Authority
File FI-2.3 (32) (Vol. 8)

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 to the Winnipeg Regional Health Authority of that part of the Pan Am Pool site identified as "Additional Lease Area No. 3" on the attached Misc. Plan No. 5627/4 at an annual rental of $10457.54 and in accordance with the proposed terms as outlined herein, be approved, and that the Principal Lease dated April 17, 1984 be amended accordingly.

2. That the Proper Officers be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

Pursuant to Section 205(2) of The City of Winnipeg Charter, the disposal of land used for park or cemetery purposes requires approval by a vote of two-thirds of all Members of Council.

Minutes - Executive Policy Committee - May 21, 2003

Report - Standing Policy Committee on Property and Development - May 12, 2003

DECISION MAKING HISTORY:

Moved by Councillor Vandal,

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On May 12, 2003, the Standing Policy Committee on Property and Development concurred in the administrative recommendation, and submitted its recommendation to Executive Policy Committee and Council.

Re: Proposed Lease of Additional Land at the Pan Am Pool to the Winnipeg Regional Health Authority
City Centre Community
River Heights Ward

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

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

Report date: May 1, 2003

Recommendation(s):

1. That the lease to the Winnipeg Regional Health Authority of that part of the Pan Am Pool Site identified as "Additional Lease Area No. 3" on the attached Misc. Plan No. 5627/4 at an annual rental of $10457.54 and in accordance with the proposed terms as outlined herein, be approved, and that the Principal Lease dated April 17, 1984 be amended accordingly.
2. That the Proper Officers be authorized to do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

Key Issues:

- The City has previously entered into a lease with the Winnipeg Regional Health Authority relative to the existing Pan Am Clinic and parking lot.
- The Winnipeg Regional Health Authority has advised the Planning, Property and Development Department that it requires additional City-owned land at the Pan Am Pool Site to enable an expansion of the existing Pan Am Clinic building and parking.
- The Administration has reviewed the request and has determined that the lease of the additional land is acceptable.
- The Planning, Property and Development Department is, by this report, seeking Council's approval to the negotiated terms of 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 of Winnipeg
	Involves a multi-year contract

Comment(s):

-

Policy implications:

X	**No**
	Yes

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):

-

REASON FOR THE REPORT:

The Planning, Property and Development Department is by this report advising as to the receipt of a request by the Winnipeg Regional Health Authority to lease additional land at the Pan Am Pool site. As the subject property is utilized for parks purposes, the proposed lease will require the approval of at least two-thirds of the members of Council pursuant to Section 205(2) of the City of Winnipeg Charter.

HISTORY:

By agreement dated April 17,1984, the City entered into a lease with Olympus Enterprises Ltd. for the use of a portion of the Pan Am Pool site shown as “Existing Lease” on the attached Misc. Plan No. 5627/4 for the development of a Sports Medicine Clinic Building and parking.

By a Council approved Amending Agreement dated October 2, 2000, the City extended the term of the Principal lease to April 30, 2060.

By lease agreement dated October 2, 2000, the City entered into a lease with Poseidon Enterprises Ltd. for the use of an additional portion of the Pan Am Pool site for vehicle parking purposes shown as "Additional Lease Area" on Misc. Plan 5627/4.

The City subsequently consented to an Assignment of the Lease Agreements from Poseidon Enterprises Ltd. to the Winnipeg Regional Health Authority by Agreement dated September 1, 2001.

At its meeting held on June 19, 2002, Council approved a request to lease additional land shown as (Additional Lease Area No.2) on the attached Misc. Plan No 5627/4 to the Pan Am Clinic for building expansion purposes.

By letter dated March 18, 2003, the Winnipeg Regional Health Authority requested authority to lease additional City-owned lands for parking requirements.

The City Centre Community Committee considered the subject proposal at its meeting held on April 8, 2003 and determined that it had no objection to the proposed lease.

The Real Estate Division presented the proposed terms and conditions of lease to the Winnipeg Regional Health Authority by letter dated April 16, 2003.

By letter dated, April 24, 2003, the Winnipeg Regional Health Authority confirmed acceptance of the proposed terms of lease.

DISCUSSION:

In the fall of 2002, the Pan Am Clinic indicated that it was proceeding with an expansion of the existing Clinic building. In order to meet parking requirements associated with the expansion of the (building) without a variance, the Clinic requires some additional City-owned land lying immediately to the south of the existing leased areas. The Department's Zoning and Permits Branch determined the additional amount of parking stalls required and the applicable land area.

The particulars of the proposed additional ground lease area are as follows:

Site Identification:	Shown as "Additional Lease Area No.3" on Misc. Plan No. 5627/4
Lessee:	Winnipeg Regional Health Authority
Term:	30 Yrs, 11 months, commencing June 1, 2003 and to expire on April 30, 2034, coincident with the other existing leases
Renewal:	4 x 5-year renewals plus 1x 6-year renewal to coincide with renewal provisions within the principle lease expiring April 30, 2034.
Rent Review:	Every five years
Zoning:	PR1
Size:	1,399.9 sq. m. (15,068.5 sq. ft.)
Rental:	$10,457.54 per year based on a 10% return to appraised market value, plus applicable GST.

Added Rent:	Realty taxes, plus applicable GST.
Other:	The square foot area and rent of the Principal Lease will be amended and increased accordingly, all other terms and conditions will remain unchanged.
Special Conditions:	Landlord reserves the right to change the location of the subject leased premises to an alternate area within the Pan Am Pool Parking Lot at any time during the proposed lease term.

The aforementioned leasing proposal was circularized to the various Civic Department's for review and comment.

The Planning, Property and Development Department reviewed the responses and organized an on site meeting to discuss the concern of the Public Works Department and Community Services Departments. Both Departments expressed a concern arising out of the observation and experience that Clinic User(s) were not in fact parking in the area leased by the Clinic for parking and were instead parking immediately to the west of the existing Clinic Building. In responding to this concern, the Clinic agreed to relocate the main entrance to face south and that all vehicle parking would need to occur south of the south limit of the Clinic building. As well, the Clinic agreed to notify Clinic Users of the proper parking area and to install signage as may be required.

There were no other administrative concerns expressed.

The Planning, Property and Development Department recommends that the proposed lease be approved for the following reasons:

- the subject proposal has no major impact upon the Pan Am Pool parking lot. The concerns of the Public Works and Community Services Departments will be addressed by the tenant;
- the City Centre Community Committee has no objections;
- the proposed lease will facilitate the Lessee's proposed expansion project; and
- the subject proposal will expand the realty tax base.

Project Name: **First Year of Program** 2003

Proposal To Lease Additional Land at the Pan Am Pool to the Winnipeg Regional Health Authority

	2003	2004	2005	2006	2007
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	7,092	12,158	12,158	12,158	12,158
Net Cost/(Benefit)	$ (7,092)	$ (12,158)	$ (12,158)	$ (12,158)	$ (12,158)
Less: Existing Budget Amounts	(7,092)	(12,158)	(12,158)	(12,158)	(12,158)
Net Budget Adjustment Required	$0	$0	$0	$0	$0

Additional Comments:

The subject proposal will increase leasing revenue by approximately $371,832.00 up to April 30, 2034. This assumes no rent increases are implemented in the rent review periods of every five years. The first payment represents a cash flow for the last seven months of 2003, given the commencement date of June 1, 2003. Realty taxes are included in the above incremental revenues and are projected on the basis of the 2003 mill rates, with no adjustment for future year mill rate or assessment changes.

Gord Courage, Manager
Support Services Division

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Public Works – Parks and Open Space Division

Community Services – Recreation and Community Development

Planning and Land Use Division

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: D. Armstrong
PPD File #: 2320/A

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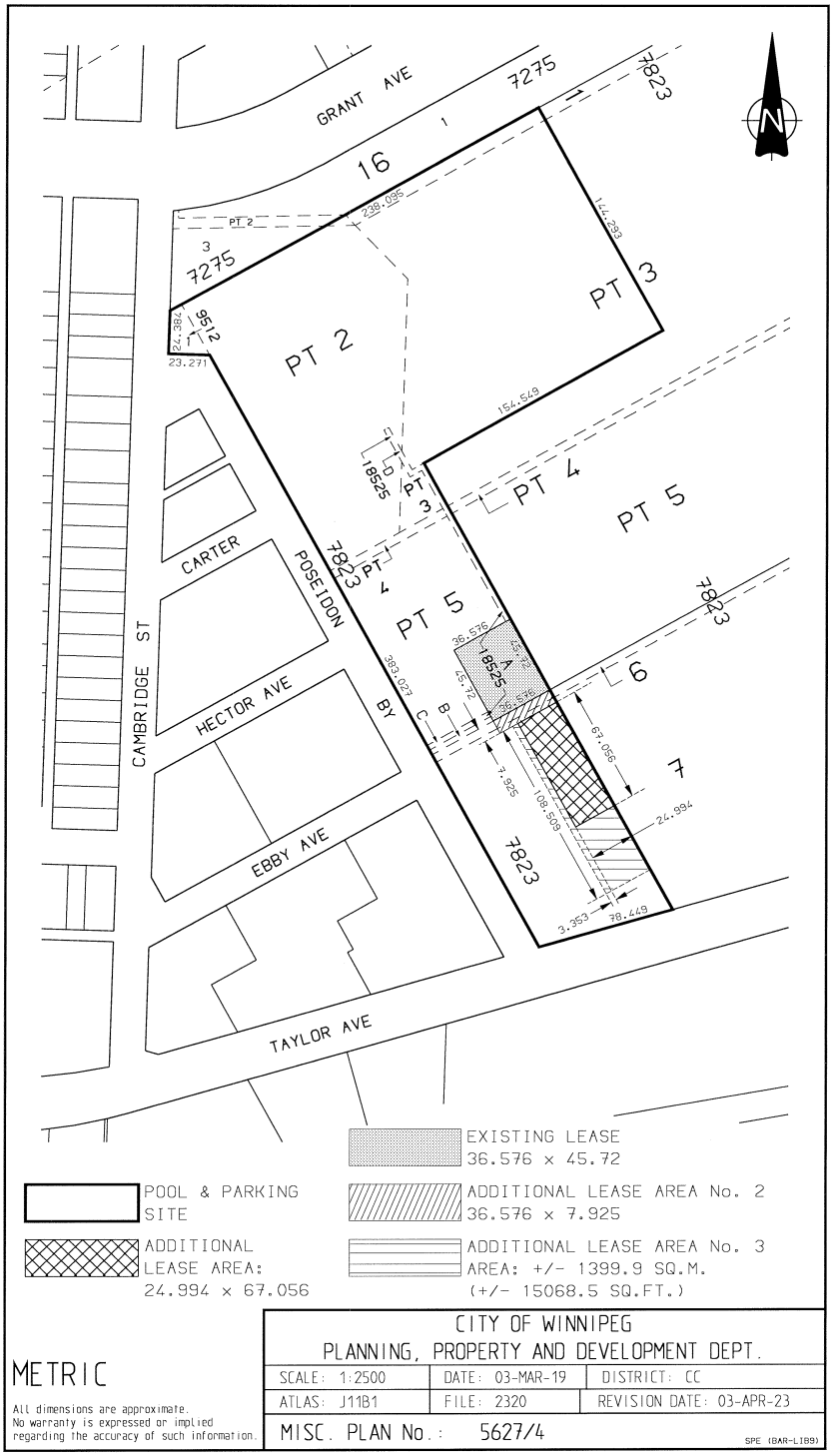
GRANT AVE
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1
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PT 2
3
7275
144.293
PT 3
9512
24.384
23.271
PT 2
154.549
18525
PT 3
PT 4
PT 5
CARTER
POSEIDON
7823
PT 4
PT 5
7823
36.576
45.72
A
18525
45.72
36.576
383.027
B
C
6
CAMBRIDGE ST
HECTOR AVE
BY
67.056
7.925
108.509
7
24.994
EBBY AVE
7823
3.353
78.449
TAYLOR AVE
EXISTING LEASE
36.576 x 45.72
POOL & PARKING
SITE
ADDITIONAL LEASE AREA No. 2
36.576 x 7.925
ADDITIONAL
LEASE AREA:
24.994 x 67.056
ADDITIONAL LEASE AREA No. 3
AREA: +/- 1399.9 SQ.M.
(+/- 15068.5 SQ.FT.)
METRIC
All dimensions are approximate.
No warranty is expressed or implied
regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
SCALE: 1:2500
DATE: 03-MAR-19
DISTRICT: CC
ATLAS: J11B1
FILE: 2320
REVISION DATE: 03-APR-23
MISC. PLAN No.: 5627/4
SPE (BAR-LIB9)