Minutes – Executive Policy Committee – March 19, 2014

Minute No. 239
Report – Standing Policy Committee on Property and Development – March 11, 2014

Item No. 12 Lease Agreement Amendment - Garden Grove Child Care Program Inc.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the amendments to the lease agreement between the City and Garden Grove Child Care Program Inc. be approved in accordance with the proposed terms and conditions attached on Schedule A.

2. That the City enter into an amending agreement and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing.

3. That the authority be delegated to the Director of Planning, Property and Development to negotiate and approve the final terms and conditions of the amending agreement and such other agreements as determined necessary by the City Solicitor/Director of Legal Services, in accordance with the terms and conditions set forth in Schedule "A" and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

4. 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 – March 19, 2014

Report – Standing Policy Committee on Property and Development – March 11, 2014

DECISION MAKING HISTORY:

Moved by Deputy Mayor Swandel,

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On March 11, 2014, 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: **Proposed Amendments to Lease Agreement between Garden Grove Child Care Program Inc. and the City of Winnipeg to increase the "Lease Area" as per Misc. Plan No. 14045/6**

Critical Path: **Standing Policy Committee on Property and Development, Executive Policy, Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	B. Thorgrimson	N/A	D. Joshi, A-CAO

RECOMMENDATIONS

1. That the proposed amendments to the lease agreement between the City and Garden Grove Child Care Program Inc. be approved in accordance with the proposed terms and conditions attached on Schedule A.

2. That the City enter into an amending agreement and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing.

3. That the authority be delegated to the Director of Planning, Property and Development to negotiate and approve the final terms and conditions of the amending agreement and such other agreements as determined necessary by the City Solicitor/Director of Legal Services, in accordance with the terms and conditions set forth in Schedule "A" and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

4. 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 property for which the Director of Planning, Property and Development has no authority. In this regard, the Department has negotiated the proposed terms and conditions for amendments to the lease

agreement with Garden Grove Child Care Program Inc. (the "Daycare") at 2370 Burrows Avenue. This report seeks the approval of the lease as negotiated.

IMPLICATIONS OF THE RECOMMENDATIONS

The Department has determined that there is no general, policy, regulatory, environmental, human resource or financial implications to the lease of this land as outlined in the attached Schedule "A".

The proposed amending agreement will increase the "Lease Area" as outlined on Misc. Plan. No.14045/6 from +/-1,573.55 m^2 to +/-2,686.0 m^2. The property increase since the last request is a reflection of the programming requirements for the new Daycare to meet Manitoba Early Learning and Child Care guidelines for licensing a new facility. Upon the second review by the Manitoba Family Services Capital Projects Coordinator, Paulette Monita, it was noted that the original drawings would not meet licensing standards and revisions were required. MCM Architects Inc. (the firm hired by the proponent), the Manitoba Family Services Capital Projects Coordinator and the Daycare Executive Director collaborated to ensure all regulations would be covered in the revised drawings. This new/renovated building will provide a functional daycare that meets provincial regulations and is of a size that will provide additional daycare spaces to meet the increasing demand in the neighbourhood.

In addition, the proposed amending agreement incorporates an amendment to Clause 13 to allow the Daycare to charge a low rent for parking stalls to help recover some of the maintenance costs associated with the parking lot. The maintenance costs were originally supposed to be split with the Tyndall Park Community Center (the "TPCC"). However, the TPCC has stated that they want no responsibility for the lot thus placing the entire burden onto the Daycare.

Next, Clause 22 will be amended to remove the portion of the clause that states "that it is a condition precedent to entering into this lease agreement that the Tenant come to a written agreement with the Tyndall Park Community Centre directly to share the cost of maintenance and snow removal of the parking lot." TPCC has stated that it does not want to bear any responsibility for the lot.

Finally, a clause will be added to include additional insurance requirements that are required to be in place during the construction of the proposed addition/renovation to the existing building. These insurance requirements were inadvertently omitted in the original set of terms and conditions approved by Council.

The Corporate Finance Department (Risk Management Branch) reviewed the insurance requirements for this proposed occupancy and their comments have been incorporated into the terms and conditions.

HISTORY

In 1981, the Daycare opened in the Garden Grove School located at 2340 Burrows Avenue.

In January of 2011, the Daycare expressed an interest in leasing the vacant former TPCC satellite building at this adjacent site located at 2370 Burrows Avenue, as referenced on the attached Misc. Plan No. 14045/6, with the intention of renovating and expanding the building to provide 40 additional child care spaces.

On March 11, 2011, the TPCC Board of Directors passed a motion to formally divest the TPCC of the building located at 2370 Burrows Avenue and requested transfer of the operation of the building to the City. The removal of the TPCC satellite site from the Community Centre Inventory would allow for the City property to be able to be considered for lease by the group.

At its meeting held on June 22, 2011, Council concurred in the recommendation of the Executive Policy Committee to remove the TPCC satellite site located at 2370 Burrows Avenue from the Community Centre Inventory.

The Planning, Property and Development Department negotiated proposed terms and conditions for a Lease Agreement in favour of the Daycare for use as a day care centre, which was approved by Council on September 27, 2012.

In September of 2013, the Daycare contacted the City and requested an increase in lease area, based on the recommendation of their architects, to provide the required space for the site and building design.

Three other amendments have been requested and included in the proposed amending terms and conditions.

The first allows the Daycare to charge a low rent for parking stalls to help recover some of the maintenance costs associated with the parking lot. This cost was originally supposed to be split with the TPCC.

The second removes a portion of a clause which states that “it is a condition precedent to entering into this lease agreement that the Tenant come to a written agreement with the Tyndall Park Community Centre directly to share the cost of maintenance and snow removal of the parking lot.” This has been removed as TPCC has stated in writing that they do not want any responsibility for the site or its maintenance.

The third includes additional insurance requirements that are required to be in place during the construction of the proposed addition/renovation to the existing building. These insurance requirements were inadvertently omitted in the original set of terms and conditions approved by Council.

The Ward Councillor has been consulted and is supportive of the lease with the Daycare.

The proposed amendments to the lease agreement with the Daycare are recommended for approval in accordance with the proposed terms and conditions as outlined herein.

FINANCIAL IMPACT

Financial Impact Statement Date: February 10, 2014

Project Name:

Proposed Amending Lease Agreement in favour of Garden Grove Child Care Program Inc.

COMMENTS:

There are no financial implications associated with the recommendations contained in this report.

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

CONSULTATION

In preparing this report there was consultation with:

Corporate Finance Department
Legal Services Department as to legal issues

SUBMITTED BY

Department:	Planning, Property & Development
Division:	Municipal Accommodations
Prepared by:	Marlene Haderer, Real Estate Officer
Date:	February 11, 2014
PPD File No.:	MA2014-031
RE File No.:	5291/4

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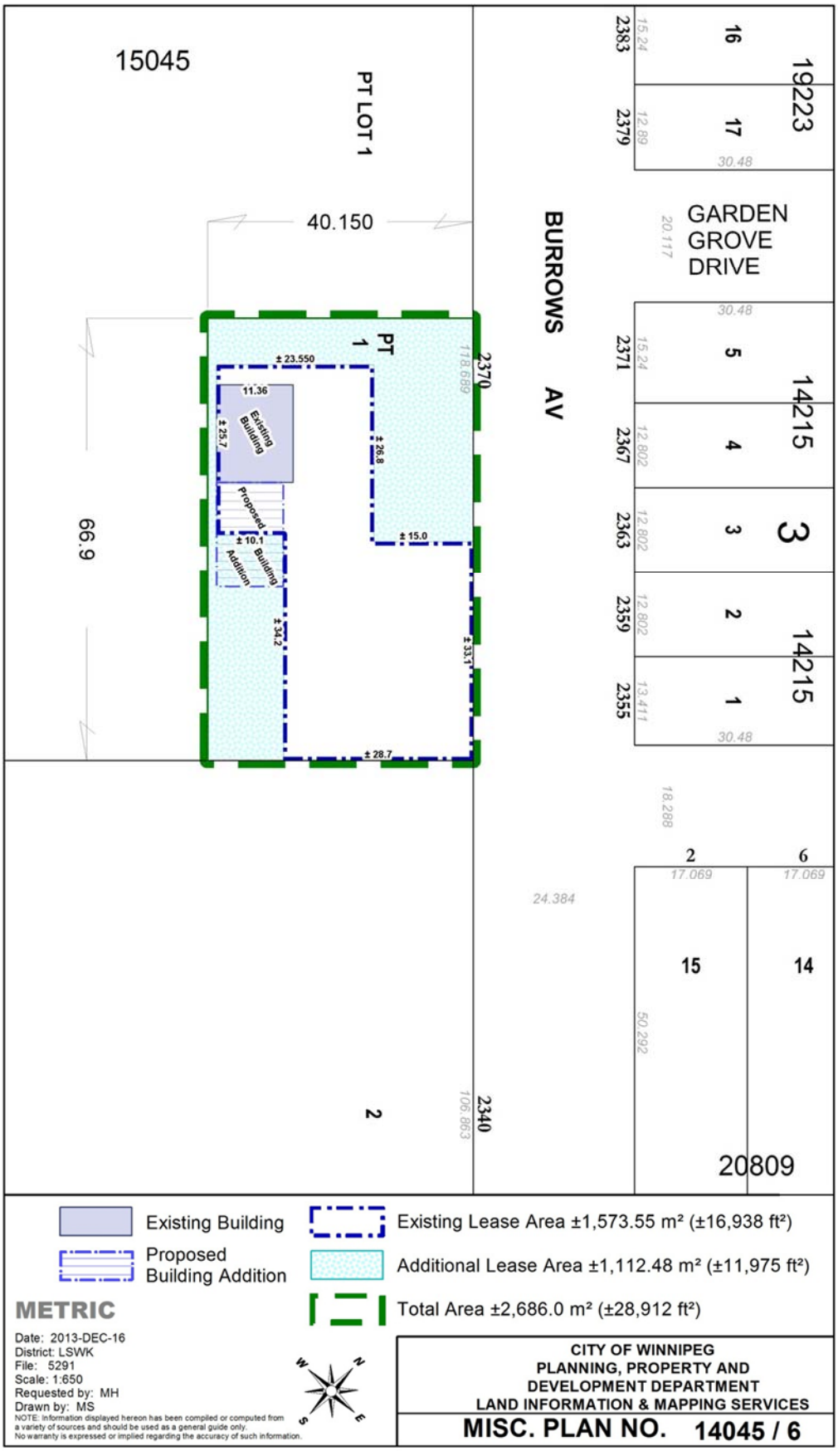

15045
PT LOT 1
40.150
66.9
PT 1
± 23.550
11.36
Existing Building
± 25.7
± 26.8
Proposed Building Addition
± 10.1
± 15.0
± 34.2
± 33.1
± 28.7
2370
118.689
2340
106.863
BURROWS AV
GARDEN GROVE DRIVE
20.117
19223
16
17
2383
2379
15.24
12.89
30.48
14215
5
4
3
2
1
2371
2367
2363
2359
2355
15.24
12.802
12.802
12.802
13.411
30.48
18.288
2
6
17.069
17.069
24.384
15
14
50.292
2
20809
Existing Building
Proposed Building Addition
Existing Lease Area ±1,573.55 m² (±16,938 ft²)
Additional Lease Area ±1,112.48 m² (±11,975 ft²)
Total Area ±2,686.0 m² (±28,912 ft²)
METRIC
Date: 2013-DEC-16
District: LSWK
File: 5291
Scale: 1:650
Requested by: MH
Drawn by: MS
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 DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14045 / 6

Schedule A

Proposed Terms & Conditions to Amend the Lease Agreement between the City of Winnipeg and Garden Grove Child Care Program Inc.

Amendment Date:	Date approved by Council or its delegated authority
Landlord:	The City of Winnipeg
Lessee:	Garden Grove Child Care Program Inc.
Purpose:	To amend the Terms and Condition approved by Council on September 27, 2012 between the City of Winnipeg and Garden Grove Child Care Program Inc.
Address:	2370 Burrows Ave, Winnipeg, hereinafter called the "Premises"
Area:	To amend the "Lease Area" as shown on Misc. Plan 14045/4 of the original Terms and Conditions to the Misc. Plan 14045/6 as attached.
Special Conditions:	To Amend the following clauses

From:

13. Tenant shall not, without the prior written approval of the City first having been obtained which approval shall not be unreasonably withheld, sublet or assign the Leased Area or any part thereof. The Tenant hereby acknowledges and agrees that any consent by the City to an assignment or sub-let of this Lease Agreement shall not relieve the Tenant of its obligations for the payment of rent and the performance of the terms and conditions on the part of the Tenant to kept and performed;

To:

13. Tenant shall not, without the prior written approval of the City first having been obtained which approval shall not be unreasonably withheld, sublet or assign the Leased Area or any part thereof. The Tenant hereby acknowledges and agrees that any consent by the City to an assignment or sub-let of this Lease Agreement shall not relieve the Tenant of its obligations for the payment of rent and the performance of the terms and conditions on the part of the Tenant to kept and performed;

Notwithstanding the above clause, the Lessee is permitted to rent out stalls in the parking lot from 6am to 6pm Monday to Friday, for a maximum fee of $50 per month for the purposes of offsetting the maintenance costs of the parking lot.

And

From:

22. The Tenant acknowledges and agrees that Tyndall Park Community Centre shall have access to the parking lot within the Leased Area year round, solely for the purpose of access to Community Centre programming on adjacent City land. The Tenant agrees that it is a condition precedent to entering into this lease agreement that the Tenant come to a written agreement with the Tyndall Park Community Centre directly to share the cost of maintenance and snow removal of the parking lot.

To:

22. The Tenant acknowledges and agrees that Tyndall Park Community Centre shall have access to the parking lot, within the Leased Area year round, solely for the purpose of access to Community Centre programming on adjacent City land; excluding the hours of 6am to 6pm Monday, to Friday

And to add the following to clause 14:

The Tenant shall purchase and maintain, or cause to be purchased and maintained, in full force, from the start through to the completion of any construction project for any additions or renovations:

1) Builder's risk insurance, insuring 100% of the total project plus the value of the existing structure that is to be incorporated into the project. Such insurance shall name the City of Winnipeg and all others having an insurable interest in the project.

2) Wrap-up liability insurance, in the amount of at least two million dollars ($2,000,000) all inclusive. The policy shall name The City of Winnipeg, the Contractor(s) and any other parties with an insurable interest in the project and include 24 months completed operations.

All other terms and conditions to remain unchanged.

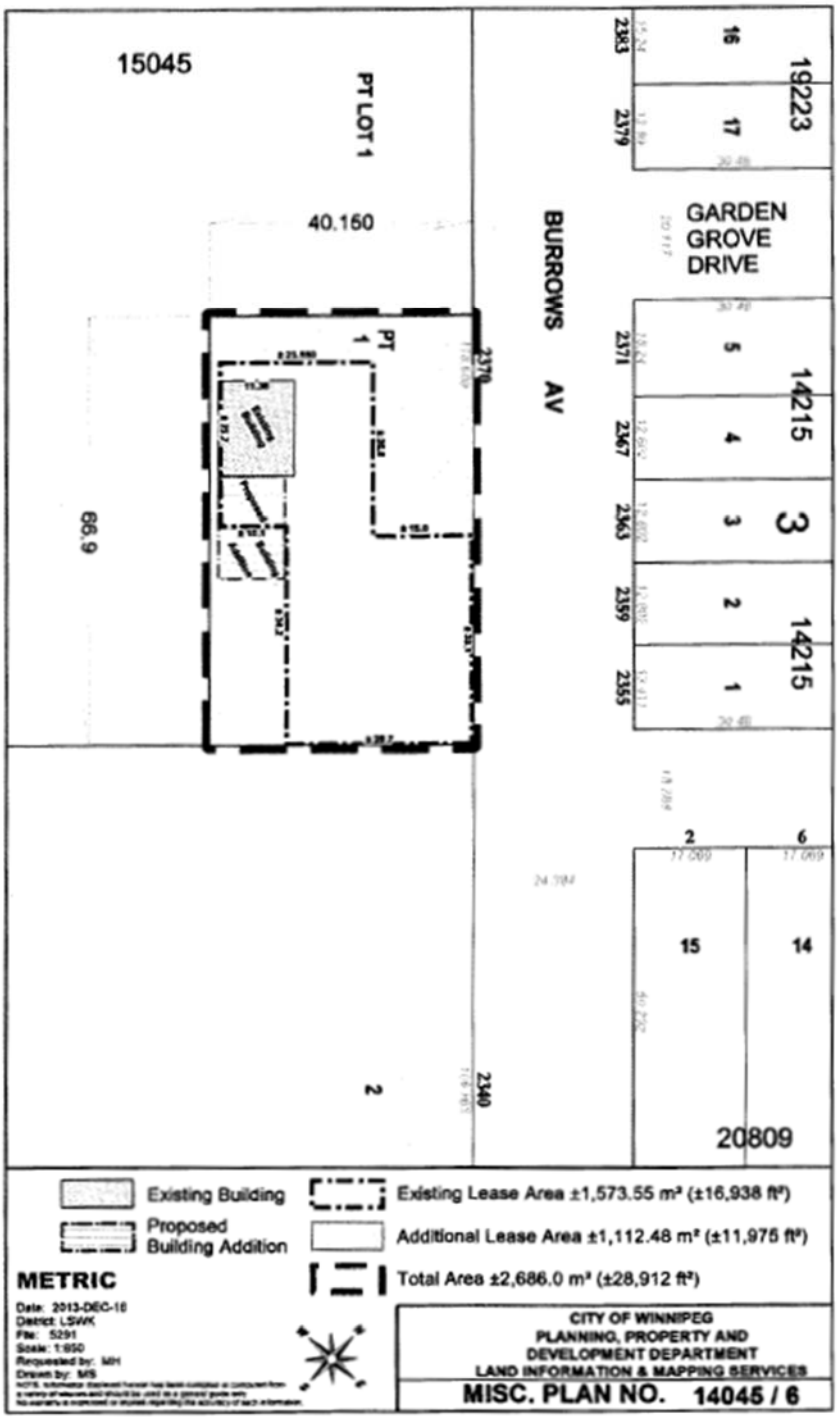
The proposed terms and conditions of the proposed Lease Amending Agreement are subject to the final approval of the City's Standing Policy Committees and Council, or its delegated authority and the City Solicitor as to form and content.

Garden Grove Child Care Program Inc. hereby acknowledges and agrees to enter into this Amending Lease Agreement with the City of Winnipeg.

Garden Grove Child Care Program Inc.:

Per: _____ Feb 10/2014
Name: Jodi Ramotka
Title: Executive Director
Date

_____
Witness
Name: Rhonda Pauls
Address: 439 Adsum Dr
Wpg, MB R2P0W9



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