Agenda – Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – June 22, 2015

REPORTS

Item No. 2 Amendment to the Long Term (25 year) Lease of the Parking Lot at 457 Main Street

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the lease agreement between the City of Winnipeg and 70236 Manitoba Ltd., as approved by Council on December 14, 2011, inclusive of the parking lot at 457 Main Street, be amended in accordance with the terms and conditions as outlined in Schedule "B" (attached) and such other terms and conditions deemed necessary by the Director of Legal Services/City Solicitor to satisfy the intent of Council; and

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

ADMINISTRATIVE REPORT

Title: **Amendment to the Long Term (25 year) Lease of the Parking Lot at 457 Main Street**

Critical Path: **Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
B. Erickson	M. Pittet	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That the lease agreement between the City of Winnipeg and 70236 Manitoba Ltd., as approved by Council on December 14, 2011, inclusive of the parking lot at 457 Main Street, be amended in accordance with the terms and conditions as outlined in Schedule "B" (attached) and such other terms and conditions deemed necessary by the Director of Legal Services/City Solicitor to satisfy the intent of Council; and

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

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

IMPLICATIONS OF THE RECOMMENDATIONS

On December 14, 2011, Council approved a 25 year lease of 457 Main Street inclusive of the parking lot during daytime (business) hours.

Amendment of the existing lease agreement for the parking lot at 457 Main Street

From:

Lease of daytime (business hours) use of nineteen (19) stalls and 24/7 basis use of three (3) stalls;

To:

Lease of the entire 22 stall lot on a 24/7 basis;

Provides accommodation for Property Assessment Department vehicles associated with the implementation of the Personal Use of City Vehicles Policy on January 1, 2015.

The incremental annual cost for civic lease of the parking lot at 457 Main on a 24/7 basis is approximately $17,000.

HISTORY

On December 14, 2011, Council approved a 25 year lease of 457 Main Street inclusive of all 22 parking lot stalls during business hours. The landlord was permitted to rent stalls in evenings and weekends.

With the implementation of the Personal Use of City Vehicles Policy on January 1, 2015, all twenty-two (22) stalls are now required on a 24/7 basis. This policy results in staff not having the capability to take City owned vehicles to their residents during non-work hours. As such, civic vehicles will remain in the 457 Main Street parking lot in the evenings and weekends. As a result of the 24/7 lease of the lot, the associated lease rate terms and conditions have been revised to the following:

January 1, 2015 to December 31, 2019 - $225.80 plus GST per stall, per month

The landlord has agreed that the lease rate will increase once every five (5) years, negotiated at least six (6) months prior to the end of each rental period.

FINANCIAL IMPACT

Financial Impact Statement

Date: December 5, 2014

Project Name:

Amendment to the Long Term (25 year) Lease of Parking Lot at 457 Main Street

First Year of Program **2015**

	2015	2016	2017	2018	2019
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	$ 59,611	$ 59,611	$ 59,611	$ 59,611	$ 59,611
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 59,611	$ 59,611	$ 59,611	$ 59,611	$ 59,611
Less: Existing Budget Amounts	59,611	59,611	59,611	59,611	59,611
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent 22 stalls @ $225.80/stall x 12 months. As at the date of this report, parking rental is 22 stalls @ $160/stall x 12 = $42,240. There is sufficient existing budget to fund the incremental $17,371 in annual costs. As such, no budget adjustment is required.

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

CONSULTATION

In preparing this report there was consultation with:

Assessment and Taxation Department
Legal Services Department as to legal issues

SUBMITTED BY

Department:	Planning, Property and Development
Division:	Municipal Accommodations
Prepared by:	Sandi Caputo, Leasing Officer
Date:	June 10, 2015
File No.	MA2014-220

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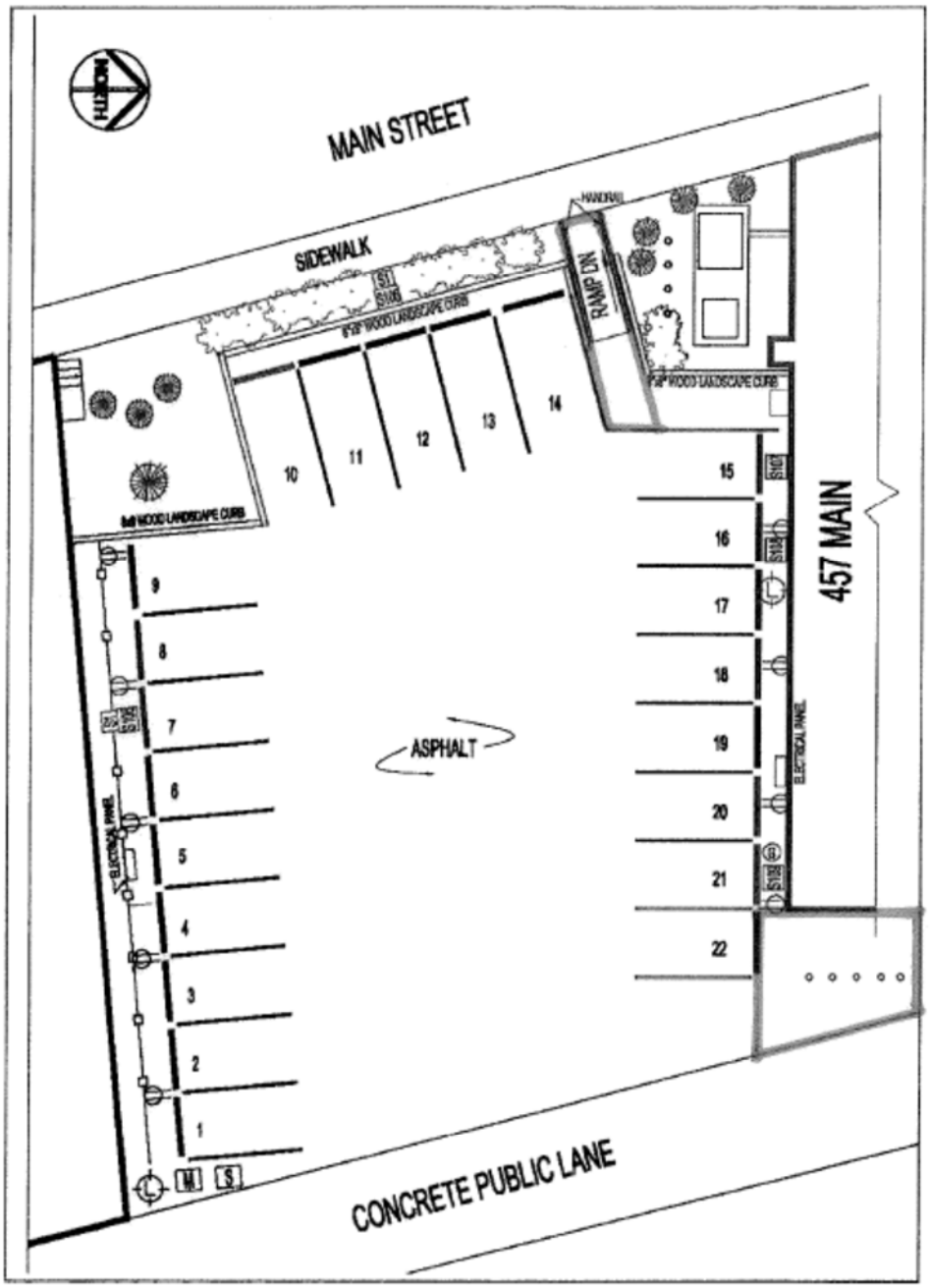
Schedule "A"
Parking Lot Lease – 457 Main Street

Schedule A



Schedule "B"
Parking Lot Lease – 457 Main Street

Address:	457 Main Street - Parking Lot
Lessor:	70236 Manitoba Limited, c/o Shindico Inc.
Lessee:	City of Winnipeg – Assessment Department
Number of Stalls:	22 Stalls
Lease Commencement:	January 1, 2012
Lease Expiry:	December 31, 2036
New Rental Term:	January 1, 2015 to December 31, 2019
Rent Per Stall:	$225.80 plus GST
Rent Per Month:	$4,967.60 plus GST

The lease rate will be negotiated every 5 years, at least 6 months prior to the end of each rental period.

The Tenant will at all times provide the services to spread and remove granite and remove snow and ice from all sidewalks, entrances and exits (including rear exit doors and fire doors) as per the attached Schedule "A". The Landlord will supply granite or other slip resistant material as required.