Minute No. 92
Report - Standing Policy Committee on Property and Development - December 4, 2003

Item No. 3 **Lease of City-Owned property at 410 DeSalaberry Avenue to the Alhijra Islamic Foundation Inc. for use as a school**
File FI-2.2(33)

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 of the subject City-owned property, identified as the "Proposed Lease Area" on Misc. Plan No. 11376/4, to the Alhijra Islamic Foundation Inc. at a rental of $1.00 per year, and in accordance with the terms and conditions proposed, be approved subject to the following special conditions:

   A. That the Lessee be required to place a performance bond in the full amount of the contract price of the proposed leasehold improvements or to such other amount as is satisfactory to the Director of Planning, Property and Development.

   B. That the construction of all leasehold improvements, alterations and installations be subject to the prior review and approval of the Director of Planning, Property and Development.

   C. That upon the expiry of the lease or earlier termination, any leasehold improvements performed by or on behalf of the Lessee will become part of the City-owned property, at no cost to the City, unless the Director of Planning, Property and Development directs that the said improvements be removed in which case the costs of removal and restoration will be at the expense of the Lessee.

   D. That the Lessee agrees to allow access to both the Canadian Pacific Railway and to the City over the leased lands as may be required from time to time to service their adjacent facilities.

   E. That the proposed Lease include such terms and conditions as are deemed necessary by the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services to reflect the intent of the City's Policy respecting the sale or lease of city lands to non-profit organizations.

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F. That the proposed Lease be subject to the approval of a variance to allow for a change of use for a period not to exceed ten (10) years to permit the establishment of a private school.

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

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DECISION MAKING HISTORY:

Moved by Councillor Vandal,
That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On December 4, 2003, the Standing Policy Committee on Property and Development concurred in the administrative recommendation, as amended, namely:

- That Recommendation 1. F. be added as follows:

  "1. F. That the proposed Lease be subject to the approval of a variance to allow for a change of use for a period not to exceed ten (10) years to permit the establishment of a private school.

and submitted the matter to the Executive Policy Committee and Council.

Re: Proposed Lease of City-Owned Property at 410 DeSalaberry Avenue to the Alhijra Islamic Foundation Inc. for Use As A School
East Kildonan Transcona Community
Elmwood – East Kildonan Ward

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

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

Report date: October 22, 2003

Recommendation(s):

1. That the lease of the subject City-owned property, identified as the "Proposed Lease Area" on the attached Misc. Plan No. 11376/4, to the Alhijra Islamic Foundation Inc. at a rental of $1.00 per year, and in accordance with the terms and conditions as proposed herein, be approved subject to the following special conditions:

    a) the Lessee being required to place a performance bond in the full amount of the contract price of the proposed leasehold improvements or to such other amount as is satisfactory to the Director of the Planning, Property and Development Department;

    b) the construction of all leasehold improvements, alterations and installations will be subject to the prior review and approval of the Director of the Planning, Property and Development Department;

    c) upon the expiry of the lease or earlier termination, any leasehold improvements performed by or on behalf of the Lessee will become part of the City-owned property, at no cost to the City, unless the Director of the Planning, Property and Development Department directs that the said improvements be removed in which case the costs of removal and restoration will be at the expense of the Lessee;

    d) the Lessee to agree to allow access to both the Canadian Pacific Railway and to the City over the leased lands as may be required from time to time to service their adjacent facilities;

    e) the proposed Lease is to include such terms and conditions as are deemed necessary by the Director of the Planning, Property and Development Department and the City Solicitor/Manager of Legal Services to reflect the intent of the City's Policy respecting the sale or lease of city lands to non-profit organizations.

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

REPORT SUMMARY

Key Issues:

- On Feb. 7, 2002, the Standing Policy Committee on Property and Development considered the Planning, Property and Development Department report dated February 6, 2002, which among other things, advised of the various defaults pursuant to the terms and conditions of the Ground Lease Agreement with the previous Tenant and the action taken by the Department in securing possession and ownership of the building and all improvements effective as at February 1, 2002. Amongst a number of recommendations, the Committee instructed the Department to determine if 410 DeSalaberry Avenue is surplus to the City's needs and to report back accordingly.

- The Planning, Property and Development Department conducted its review and recommended that that portion of the subject property shown shaded and identified as "Available for Sale" on Misc. Plan No. 11376/2, attached, be declared surplus to the City's needs for the purpose of sale.

- On July 16, 2003, the Executive Policy Committee adopted a motion recommending that a ten-year lease be approved to the Alhijra Islamic School (presently located at 29 Des Meurons Street) and that the Administration be requested to negotiate the terms and conditions of the lease with the proponent. It is the Administration's understanding that the Committee intended the lease to be negotiated in accordance with the City's policy on the "Sale or lease of City lands to non-profit organizations".

- As directed by the EPC, the Planning, Property and Development Department undertook negotiations with the Alhijra Islamic Foundation Inc. for the proposed use of the subject City-owned property for an Islamic school. The negotiations are now concluded.

- By this report, the Department is seeking the approval of the proposed terms and conditions of a ten-year lease of the subject property to the Alhijra Islamic Foundation Inc.

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):

- This proposed lease will relieve the City of the obligation for payment of the operating expenditures associated with this property. However the City also loses the opportunity to generate rent revenue based upon fair market value over the term of the lease and/or the opportunity to generate sale proceeds that could be derived if this property were to be declared as surplus and sold at fair market value.

REASON FOR THE REPORT:

The Executive Policy Committee, on July 16, 2003, recommended that a ten-year lease be approved to the Alhijra Islamic School (presently located at 29 Des Meurons Street) and requested the Administration to negotiate the terms and conditions of the lease with the proponent. As the subject property is part of the parks system, the decision to lease this property will be subject to approval by a vote of 2/3 of all members of Council [Section 205(2) of the City of Winnipeg Charter Act].

HISTORY:

The subject City-owned property commonly known as 410 DeSalaberry Avenue shown outlined on Misc. Plan No. 11376/2, attached, was leased (since 1979) to the Columbus Centennial Centre Inc. for the development of the Knights of Columbus facility. The Tenant failed to pay realty taxes in accordance with the Lease provisions, constituting a default of the agreement.

At its meeting held on February 7, 2002, the Standing Policy Committee on Property and Development considered the Planning, Property and Development Department report dated February 6, 2002, which among other things advised of the various Tenant defaults pursuant to the terms and conditions of the Ground Lease Agreement and the action taken by the Department in securing possession and ownership of the building and all improvements effective as at February 1, 2002. Amongst a number of recommendations, the Committee instructed the Department to determine if 410 Desalaberry Avenue is surplus to the City's needs and to report back accordingly.

The Department undertook a canvas of all City Departments which concluded that there is no civic need for that portion of the subject site shown shaded and identified as "Available for Sale" on Misc. Plan No. 11376/2. The Water and Waste Department, however, identified municipal facilities within the entire property and any sale of any portion of the site would be subject to easement agreements in favor of the City for the continued maintenance of same. Furthermore, discussions between the Planning and Land Use and Real Estate Divisions have concluded that the portion of the subject site shown hatched on the said Misc. Plan should be retained by the City to facilitate the future development of the Elmwood Riverbank Parkway. Retaining ownership of this portion of the subject property would be consistent with the May 26, 2003 Council Order pertaining to the establishment of the riverbank parkway along the right bank of the Red River between Ernie O'Dowda Park (formerly Midwinter Park) and the confluence of the Seine River and the Red River.

At its meeting held on May 20, 2003, the East Kildonan–Transcona Community Committee recommended that the subject property commonly known as 410 DeSalaberry Avenue be deemed surplus to the City's needs and made available for sale.

The Planning, Property and Development Department conducted its review and recommended that that portion of the subject property shown shaded and identified as "Available for Sale" on Misc. Plan No. 11376/2, attached, be declared surplus to the City's needs for the purpose of sale.

On July 16, 2003, the Executive Policy Committee adopted the following in-Camera motion:

"Whereas the City of Winnipeg, Planning, Property and Development Department has received an expression of interest from the Alhijra Islamic School to lease city-owned property formerly known as the Columbus Centennial Centre at 410 DeSalaberry Avenue;

Therefore be it resolved that the Executive Policy Committee recommends a ten-year lease be approved to the Alhijra Islamic School (presently located at 29 Des Meurons Street) and the Administration be requested to negotiate the terms and conditions of the lease with the proponent."

Accordingly, negotiations with the Alhijra Islamic Foundation Inc. were undertaken and are now completed with the resulting proposed terms and conditions of lease being herein submitted for approval.

DISCUSSION:

Details of the proposed leased area as shown on the Misc. Plan No. 11376/4 are as follows:

Location:	Southwest corner of DeSalaberry Avenue and Watt Street
Legal Description:	Part of Lot 2, Plan 23803
Certificate of Title(s):	Part of 1368707 &1369235
Roll Number(s):	Part of 14093085500 & 14093094500
Total Assessment (2003):	$984,000.00
Realty Taxes (Municipal):	$15,231.43
Zoning:	"C2" – Commercial District
Servicing:	All typical services are available
Site Size:	5,950 m^2/64,047 ft^2 ±
Gross Building Size:	1,602.4 m^2/17,279 ft^2±
Interior Building Size:	Main Floor +/-11,600.0 ft^2; Second Floor +/-5,200 ft^2;
Comments:	The subject property is improved with a two level brick clad building, which was constructed in 1980. The property also includes a large asphalt vehicle parking lot. The building is also connected to the adjoining seniors complex to the north by a ground level weather protected pedestrian walkway. Main Level – contains a banquet hall, dining room, kitchen, game room, dressing rooms and washroom facilities.

Second Level – contains a foyer, two meeting rooms, office, mechanical rooms and washroom facilities.

An internal Departmental valuation indicates, on a preliminary basis, a range of market value applicable to the subject property, with the current building improvements, at $860,000.00 to $1,120,000.00, with an estimated market value of $950,000.00.

A typical lease at fair market value is expected to generate an annual return of 10% of the value of the property.

A: The Alhijra Islamic Foundation Inc. Proposal

By letter dated March 11, 2003, the Alhirja School (hereinafter referred to as the School), advised that it wanted to work towards procuring the subject property to ensure that it could meet the school needs of its growing Islamic community. The School, which was founded seven (7) years ago, has outgrown its current leased facility at 29 Rue Des Meurons.
It is the Department's understanding that the lease of the Rue Des Meurons facility will expire July 1, 2004 and that it is the School's desire to relocate to the City's property in the early new year of 2004.

The Alhijra Islamic Foundation Inc. is recorded in the Companies Office as a Manitoba non-share corporation. The Directors named are Iqbal Siddiqui, Shahina Siddiqui, Abdo Eltasse, Wajih Zeid, Fahad Alhameed, Faisal Al Saif, Ghassan Joundi, Mujibur Rahman and Osman Amin. Mr. Abdo Eltasse has been the point of contact with the City during these negotiations. The Department is advised that this organization is a non-profit organization incorporated under the laws of Manitoba as a corporation without share capital and that it qualifies as a registered charity under the provisions of the Income Tax Act.

The Alhijra Islamic School was established in 1996 and is the first private school for Muslims in Manitoba. The Department is advised that the School is recognized by the Manitoba Board of Education, Independent Education Unit and is a member of the federation of independent schools.

A voluntary advisory board consisting of Islamic community members and representatives of the parents committee manage the School. The Board consists of an Executive Committee, which is comprised of a Chairperson, Vice-Chair, Treasurer and Secretary.

The Parent Teacher Association is responsible for school functions and fundraising. There is an enrollment fee for the attending students. The Department has been advised that in the event there is any shortfall in the School's funding requirements to meet its expenditures, that such shortfall would become the personal responsibility for payment by the members of the Islamic community.

1) The Proposed Use

The School intends to use the building and lands for school purposes to accommodate grades kindergarten through to and including grade 12. The projected student population, currently established at 136, will be able to expand up to 165 students.

The current property zoning will require that the School obtain a "conditional use variance" for the proposed use. Typically, such conditional uses are limited to a 5-year period. It is the Department's understanding that the School is seeking the approval of an extended conditional use term. It is also the Department's understanding that the School is contemplating a future purchase of the property at which time it would want to rezone the property. The standard terms and conditions of the proposed lease will require that the School comply with all governing Provincial, Municipal and Federal legislation and any amendments thereto (i.e. zoning by-laws, building codes, etc).

The School has indicated that it hopes to include, as part of its services, a program that will involve the seniors from the adjacent Seniors Residence. At this writing, the nature of such a program has not been developed.

2) The Proposed Facility Improvements:

To facilitate the proposed use, it will be first necessary for the School to renovate the existing building and to bring it to a standard which will comply with all codes and governing legislation associated with the operation of a school. The grounds as well will require installation of fencing, security measures and playground equipment associated with the proposed use as a school. The School has engaged the services of Central Canadian Structures (1998) Ltd. to design and perform the required works.

The Central Canadian Structures (1998) Ltd. letter dated September 8, 2003, copy attached as Schedule "A", sets out the proposed building renovations. The Department has been advised that the proposed works will also include work to the grounds and the installation of a 10' chain link fence around the perimeter of the property.

The associated financial investment required to perform the works has been estimated at $282,660.00, plus GST. These costs will be the sole responsibility of the School.
The School wants to be in a position to proceed with these works as soon as possible to facilitate the relocation of classes from its Rue Des Meurons building early in the new year.

3) The School's Fundamental Proposed Lease Terms:

Because the School is incorporated as a non-profit entity, it has proposed that the City base the terms of Lease on the basis of the City's Non-Profit Policy. The Department had enquired of the School as to its preparedness to pay more than $1.00 for this lease. The School advised that it does not wish to pay more than $1.00 per annum for this lease.

The School has also proposed a lease term of 10 years, with an option to renew for a further 10 years. The School wants to be assured that the City will not terminate the lease and therefore the proposed cancellation clause has been written accordingly. The School also has expressed some concern as to the City's Insurance Clause and has requested that in the event there is substantial damage or destruction, there is some assurance that the City would rebuild the facility. The City's Legal Services Division and Insurance Branch will determine an appropriate Clause for incorporation into the lease.

The City's current Policy dealing with "The Sale of Lease of City Lands to Non-Profit Organizations " is attached hereto as Schedule "B".

The School has reviewed the City Policy as well as the draft terms and conditions of a standard lease. The School agrees that the proposed Lease will require appropriate terms and conditions as may be required by the City Solicitor to reflect the intent of the Non-Profit Policy.

B: Proposed Terms of Lease

As Tenant, the School will be required to pay for all operating costs, maintenance, realty taxes and tenant improvements for the duration of the agreement.

The basic terms and conditions of the proposed Net Lease are summarized as follows:

Location of Leased Premises:	410 DeSalaberry Avenue;
Description of Leased Premises:	Land area +/- 5,950 sq. meters. / +/-64,047 square feet Gross Building area +/1,602.4 sq. meters / +/- 17,279 square feet;
Owner of Leased Premises:	City of Winnipeg;
Tenant:	The Alhijra Islamic Foundation Inc. The Principles are Iqbal Siddiqui, Abdo Eltasse, Wajih Zeid, Fahad Alhameed, Faisal Al Saif, Ghassan Joundi, Mujibur Rahman, Osman Amin;
Tenant's Proposed Use:	School – Grade kindergarten through to and including grade 12;
Term of Lease	Ten (10) years, commencing December 1, 2003 or earlier by mutual agreement; option to renew for a further 10 year term provided there is no Tenant default; The Tenant will receive possession of the premises in its "as is" condition;
Base Rent:	$1.00 per annum, plus GST;

Additional Rent:	The Tenant is responsible to pay all taxes (Municipal, Provincial, Local Improvements, Business, etc) that may be assessed as a result of its use of the property, plus all applicable GST;
Tenant Responsibilities:	Absolute net lease to Landlord with the Tenant being responsible for all costs, not limited to but inclusive of: rent, all taxes; operating; maintenance (general and capital); security; tenant improvements applicable to the building and lands; insurance to the satisfaction of the Insurance Branch, etc.;
Landlord Responsibilities:	None, other than building insurance and administration of the Lease;
Cancellation:	Landlord: immediate upon Tenant default, otherwise, 5 years written notice after the completion of the fifth year of the initial term; one year written notice in the renewal period pursuant to the option to renew Tenant: one year written notice for any reason;

Other Special Terms:

a. the Lessee being required to place a performance bond in the full amount of the contract price of the proposed leasehold improvements or to such other amount as is satisfactory to the Director of the Planning, Property and Development Department;

b. the construction of all leasehold improvements, alterations and installations will be subject to the prior review and approval of the Director of the Planning, Property and Development Department;

c. upon the expiry of the lease or earlier termination, any leasehold improvements performed by or on behalf of the Lessee will become part of the City-owned property, at no cost to the City, unless the Director of the Planning, Property and Development Department directs that the said improvements be removed in which case the costs of removal and restoration will be at the expense of the Lessee;

d. the Lessee to agree to allow access to both the Canadian Pacific Railway and to the City over the leased lands as

may be required from time to time to service their adjacent facilities;

e. the proposed Lease is to include such terms and conditions as are deemed necessary by the Director of the Planning, Property and Development Department and the City Solicitor/Manager of Legal Services to reflect the intent of the City's Policy respecting the sale or lease of city lands to non-profit organizations.

C: Department's Comments

1) School's Request to Use Chattels

When the City took over physical possession of this building pursuant to the prior Tenant's default, numerous chattels of the former Tenant were left in the premises (i.e. banquet tables and chairs, dishes, cutlery, office furniture and equipment, pool table, TV and miscellaneous general janitorial supplies, etc.) The School has indicated that it would appreciate if the City could allow the chattels to remain in the premises for use by the School.

Upon the advice of the Legal Services Division, who is in the process of litigating matters associated with the previous Tenancy, the City does not at this time have rights to these chattels and therefore is not entitled to offer the chattels to the School. In view of this it will be necessary to remove and store these chattels elsewhere in an alternate City-owned property at 311 Ross Avenue. The costs associated with the transport of these chattels to the new premises for storage will be charged to the Department's Commercial Property Management Account. An estimate of the cost is +/-$2,000.00. This cost does not contemplate any charge for the storage space to be utilized at 311 Ross Avenue.

2) Review of Alhijra Islamic Foundation Inc. Financial Statements

The School has provided the City with copies of its audited financial statements for the past three years and projected income/expense statements for 2003 through to 2008. The information was reviewed by the Corporate Finance Department and found to be in an acceptable form, which demonstrated that the School has operated in a positive financial environment over the past four years. It was noted however that there is no budget provision for realty taxes and the source of donations and the interest free loan is unknown and unconfirmed. The main source of funding to pay for the renovations required for the new facility are both unknown and unconfirmed. As well, there appears to be some uncertainty as to the cost of the initial renovations.

The Department has been provided with the School's projected cost of $282,660.00 for the initial renovation costs. The budget projections for 2004 to 2008 reflects additional expenditures to be phased in over each year for a computer and science lab and a library in the total combined amount of $190,000.00.

With respect to the main source of funding to pay for the renovations, Mr. Eltasse has advised the Department that he personally will be paying for these costs as his contribution to the Islamic community. Also, as indicated earlier in this report, the Department has been advised that in the event there is any shortfall in the School's funding requirements to meet its expenditures, that such shortfall would become the personal responsibility for payment by the members of the Islamic community.

The requirement that the School/Tenant will be responsible to pay realty tax has been discussed with the School/Mr. Eltasse in detail. The Department has been advised that the School will enquire of the Property Assessment Department as to what exemptions it might be eligible for under the Manitoba Municipal Assessment Act and that it will do whatever is necessary to accommodate the expense in its operation.

3) Estimate of Subsidy

The School's proposal to establish an annual rental of $1.00 will, if approved, result in a subsidy to the Tenant. On the basis of a 10% return to market value, the estimate of the annual subsidy is $+/-95,000.00. Over the full ten year (10 Year) term the subsidy would be $950,000.00 and over the full period of the lease, including the option to renew period of ten years (10 years), the subsidy would be $1,900,000.00.

Although not marketed, the Department believes that based on the interest that has been expressed in this property, there is a potential to achieve a market rental if the property is offered for lease, or market value if offered for sale.

The Department has negotiated the proposed Lease in accordance with the direction of the Executive Policy Committee and believes that the proposed terms are consistent with the Non-Profit Policy and for the most part with other similar leases.

The subsidy in this instance will exceed the level of subsidy to other similar organizations. The proposed Lease to the Alhijra Islamic Foundation Inc. will include both land and a significant building improvement as compared to other non-profit organizations, which have only acquired vacant land or have leased vacant land by means of a ground lease.

Financial Impact Statement

Date: October 20, 2003

Project Name:

Proposed Lease of City-Owned Property at 410 Deslaberry Avenue to the Alhijra Islamic Foundation Inc. for Use As A School

First Year of Program 2003

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	2,853	34,226	34,226	34,226	34,226
Net Cost/(Benefit)	$ (2,853)	$ (34,226)	$ (34,226)	$ (34,226)	$ (34,226)
Less: Existing Budget Amounts	(2,853)	(34,226)	(34,226)	(34,226)	(34,226)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The above totals do not include an estimated annual leasing subsidy of $95,000 per year or $387,920 over the five years. The projected revenue recovery shown above is $1.00 base rent plus realty tax based on the 2003 assessment for the revised area and 2003 mill rate. The year 2003 reflects 1 month, given the commencement date of December 1. No adjustment has been made for future mill rate changes or for adjustments or exemptions from the current assessed value.

"Original signed by"
Gord Courage, Manager
Support Services Division

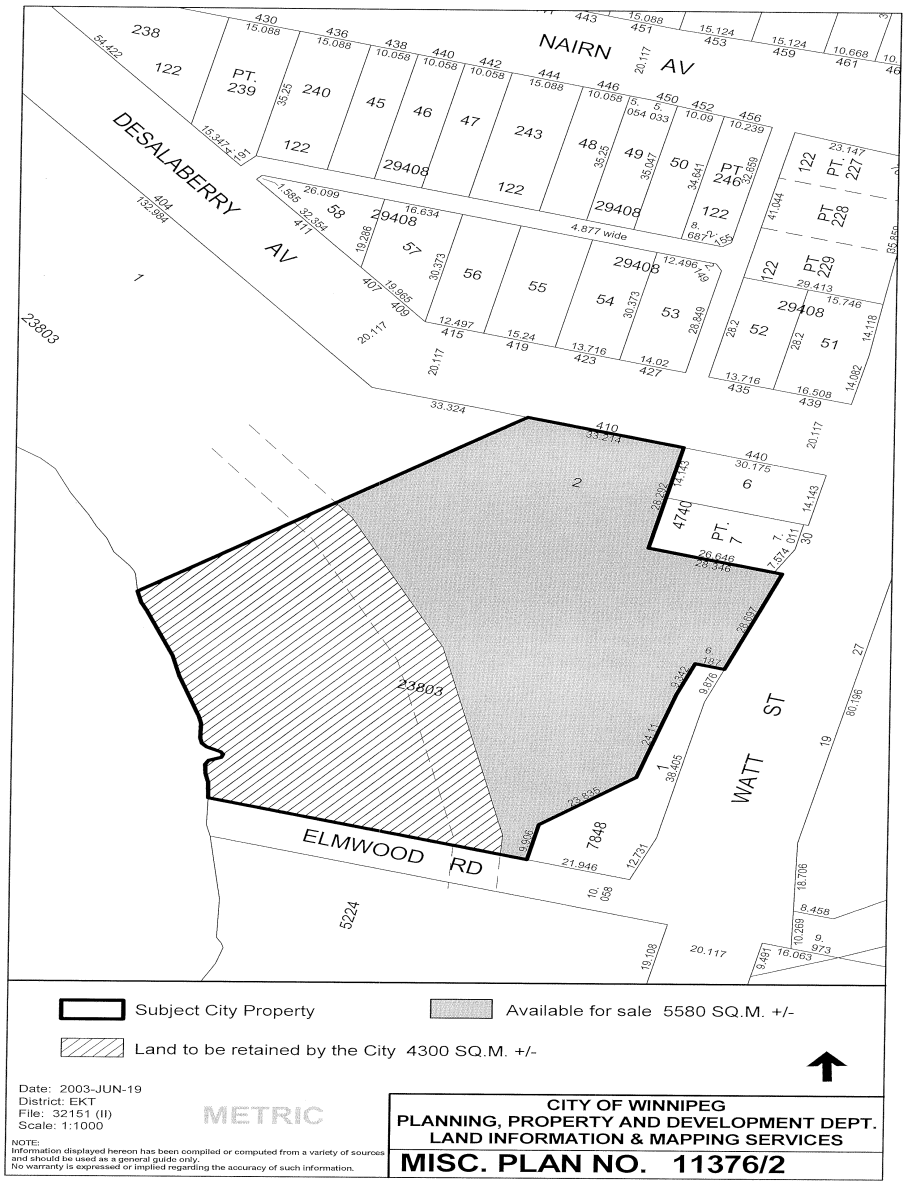
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

No consultation was required.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Real Estate Division:
Prepared by: S. Polet
PPD File #: 32/151-2 III

Document name: o:\Reports Directive\Real Estate\Leasing\(sp)Alhijra Islamic School Lease of 410 Desalaberry.doc


NAIRN AV
DESALABERRY AV
WATT ST
ELMWOOD RD
Subject City Property
Available for sale 5580 SQ.M. +/-
Land to be retained by the City 4300 SQ.M. +/-
Date: 2003-JUN-19
District: EKT
File: 32151 (II)
Scale: 1:1000
METRIC
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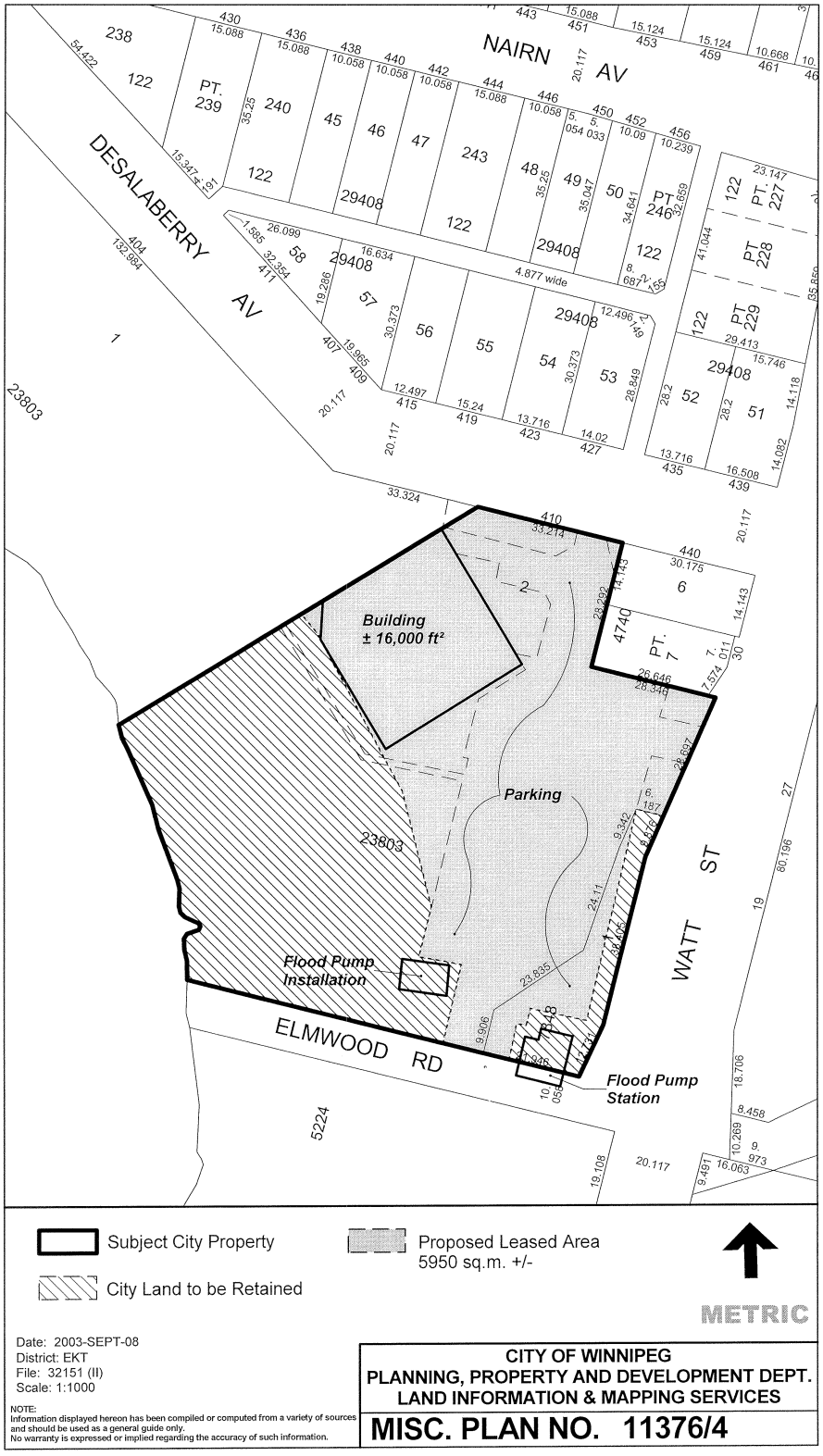
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11376/2



Date: 2003-SEPT-08
District: EKT
File: 32151 (II)
Scale: 1:1000

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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES

MISC. PLAN NO. 11376/4

Schedule "A"

CENTRAL CANADIAN STRUCTURES (1998) LTD.

September 8, 2003

Peerless Garments
515 NotreDame
Winnipeg, Manitoba

ATTENTION: MR. A. El Tassi

Dear Mr. El Tassi

RE: NEW EL HIJRA SCHOOL – WINNIPEG, MANITOBA

We are pleased to submit our budget price for the design and renovations to convert the Columbus Centennial Centre into a school. Our price is based on the information you provided to us and our drawings A1-A4 inclusive and includes the following items:

1. GENERAL CONDITIONS

- Design, architectural, structural, mechanical and electrical
- Building Permit
- Re-zoning application (currently the building has a C2 zoning)
- Insurance
- Supervision and co-ordination
- Clean-up

2. DEMOLITION

- Remove flooring.
- Demolish walls as shown on the drawings
- Remove surplus kitchen fixtures, cap and make good

3. STRUCTURAL

- Interior piles to support the additional second floor classrooms in a 40'x44' area
- Steel columns, beams and joists
- Steel deck and 3" concrete

2245 McGILLIVRAY BLVD., WINNIPEG, MANITOBA, CANADA R3Y 1S6 PHONE: (204) 488-1200 FAX: (204) 488-5091
e-mail: ccs95@escape.ca

CENTRAL
CANADIAN
STRUCTURES (1998) LTD.

4. PARTITIONS

- Interior partitions to be constructed with steel studs and drywall for the area as shown on our drawings
- Standard ACT ceiling

5. DOORS AND WINDOWS

- Twelve (12) new walk doors, complete with hardware for the new classrooms
- Sealed glazing for the interior partitions

6. FINISHING

- Private offices to have carpet
- Vinyl sheet flooring in all other areas
- Kitchen cabinet modified as shown on our sketch
- Soap, paper towel dispenser and mirrors in each washroom
- Painting
- Interior doors, complete with hardware

7. ELECTRICAL & MECHANICAL

- Revise lighting and grilles to accommodate the new layout
- Exit lighting and emergency lighting as required
- New receptacles as required

Our budget price for all of the above, GST extra is ***$282,660.00***

NOT INCLUDED:

- Site work (curbs, sidewalks, asphalt, mechanical and electrical services, etc.)
- Utility service charges (power, telephone, gas)
- Winter conditions costs including gas consumption
- Mechanical sprinkler system, if required
- Exterior signage or signage foundations
- Window coverings (blinds, etc.)
- GST

Schedule “B”

Sale or lease of City lands to non-profit organizations

File No: 4225/10-B-5

Authority: Council, October 31, 1990

1. Where it is proposed that City lands be leased or sold at less than market value to non-profit organizations for a project which is public benefit, the following eligibility criteria will apply:

(a) The organization must provide a facility operated in its entirety by a non-profit organization for non-profit uses;
(b) The organization must provide for activities which are compatible with the City's needs;
(c) The organization must provide facilities for which there is a current and projected need in that location;
(d) The organization must provide reasonable access to all Winnipeg residents without discrimination;
(e) The organization must provide access without the charging of initiation fees, membership fees or other costs which are incompatible with like facilities or organizations;

(f) The organization must provide evidence of available funding and commitment to complete the project and assurance that no ongoing operating subsidies from the City will be required over the life of the development.

2. That all subsidies or grants and corresponding revenues under Recommendation No. 1, above, be clearly identified and reported back to Council on a yearly basis through the Committee on Finance and Administration.
3. That where lands are made available at less than market value that they revert back to the City at the conclusion of the economic life of the project.
4. That any properties sold or leased at less than market value be approved by the Committee on Finance and Administration.