Minutes – Executive Policy Committee – October 18, 2017

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – October 10, 2017

Item No. 3 Tenant Request to Attain Landlord Consent to Sublease City-Owned Lands at 900 Waverley Street for the Purpose of Parking

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That two separate subleases of the Lease Agreement between the City and the Winnipeg Soccer Federation Inc. (the "Tenant") for portions of the parking lot at 900 Waverley Street to 24-7 Intouch Inc. and Payworks Inc., respectively (hereinafter collectively referred to as the "Subtenants"), identified on the drawings attached as Schedule A and B, respectively, be approved.

2. That the City enter into, execute and deliver Consents to Sublease with the Tenant and Subtenants and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That the authority be delegated to the Director of Planning, Property, and Development to negotiate and approve the terms and conditions of the Consents to Sublease and the Ancillary Agreements, in accordance with this report 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 Director of Planning, Property and Development be authorized to negotiate and approve all future subleases of the Lease Agreement between the City and the Tenant for 900 Waverley Street.

5. 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 – October 18, 2017

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DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On October 10, 2017, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Tenant Request to Attain Landlord Consent to Sublease City-Owned Lands at 900 Waverley Street for the Purpose of Parking

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	J. Kiernan	n/a	M. Jack A/CAO

EXECUTIVE SUMMARY

This report requests approval for consent to sublease the Lease Agreement between the City of Winnipeg (the City) and the Winnipeg Soccer Federation Inc. for portions of the parking lot at 900 Waverley Street to two separate subtenants.

RECOMMENDATIONS

1. That two separate subleases of the Lease Agreement between the City and the Winnipeg Soccer Federation Inc. (the "Tenant") for portions of the parking lot at 900 Waverley Street to 24-7 Intouch Inc. and Payworks Inc., respectively (hereinafter collectively referred to as the "Subtenants"), identified on the drawings attached as Schedule A and B, respectively, be approved.

2. That the City enter into, execute and deliver Consents to Sublease with the Tenant and Subtenants and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That the authority be delegated to the Director of Planning, Property, and Development to negotiate and approve the terms and conditions of the Consents to Sublease and the Ancillary Agreements, in accordance with this report 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 Director of Planning, Property and Development be authorized to negotiate and approve all future subleases of the Lease Agreement between the City and the Tenant for 900 Waverley Street.

5. 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

On July 18th, 2007, City Council adopted a Lease Agreement between the City and the Tenant for lands at 900 Waverley Street, identified as "Winnipeg Soccer Complex" on Misc. Plan No. 10561/3, attached as Schedule C. As per clause 4.4(e) of the Lease Agreement:

"The Tenant shall not assign, transfer or set over its rights or interest in this Lease, or any part thereof, without the prior consent in writing of the Landlord, which consent may not be arbitrarily or unreasonably withheld by the Landlord; provided, however, such consent to any such assignment shall not relieve the Tenant of its obligations for the payment of Rent and for the full and faithful observance and performance of the covenants, terms and conditions herein contained. Any change in the effective control of the Tenant shall be deemed for the purposes hereof to be an assignment of this Lease requiring the prior written consent of the Landlord."

The authority to consent to an assignment, transfer or setting over of the Tenant's rights or interest in the Lease Agreement (including a sublease of the Lease Agreement) has not been delegated and the approval of City Council is required to consent to the sublease of the Lease Agreement.

IMPLICATIONS OF THE RECOMMENDATIONS

The Public Service has determined that there are no general, policy, regulatory, environmental or human resource implications to entering into Consents to Sublease.

HISTORY/DISCUSSION

On July 18th, 2007, City Council adopted a Lease Agreement between the City and the Tenant for lands at 900 Waverley Street, commonly known as the Winnipeg Soccer Complex.

When the Lease Agreement was initiated, there were two pre-existing parking leases already in effect with neighboring properties. Clause 4.4(c) in the Lease Agreement allocated any proceeds generated from the Leased Area to the Tenant up to a value of $73,100.

As of 2015, both previous tenants utilizing 900 Waverley Street for parking terminated their leases.

In 2016, the Tenant was approached by two of the adjacent properties seeking parking for their respective businesses. The Tenant approached the Planning, Property, and Development Department regarding this opportunity and was advised to negotiate sublease agreements.

The subleases will provide the Tenant with annual revenue of $61,546.80 to be utilized in the operation of the Winnipeg Soccer Complex as per the Lease Agreement.

The Tenant has negotiated two sublease agreements with its subtenants and is seeking consent from the City to formalize these agreements.

FINANCIAL IMPACT

Financial Impact Statement Date: September 7, 2017

Project Name:
Tenant Request to Attain Landlord Consent to Sublease City-Owned Lands at 900 Waverley Street for the Purpose of Parking

COMMENTS:

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

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

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

01-5 – Recreation - Direction 2- Work with Community Partners to Provide Services That are Responsive to the Community`s Recreation and Leisure Needs

01-3 – Prosperity - Direction 6: Plan for a Rising Share of Employment Growth and Productivty- Foster closer relationships with local school divisions, universities, colleges and the not-for-profit sector to support the needs of the local business community.

01-5 – Recreation – Direction 5: Provide or Facilitate Community Development and Recreation Opportunities for Vulnerable Youth

SUBMITTED BY

Department: Planning, Property and Development Department
Division: Municipal Accommodations
Prepared by: Nolan Winters
Date: September 12, 2017
File No: 2191-3

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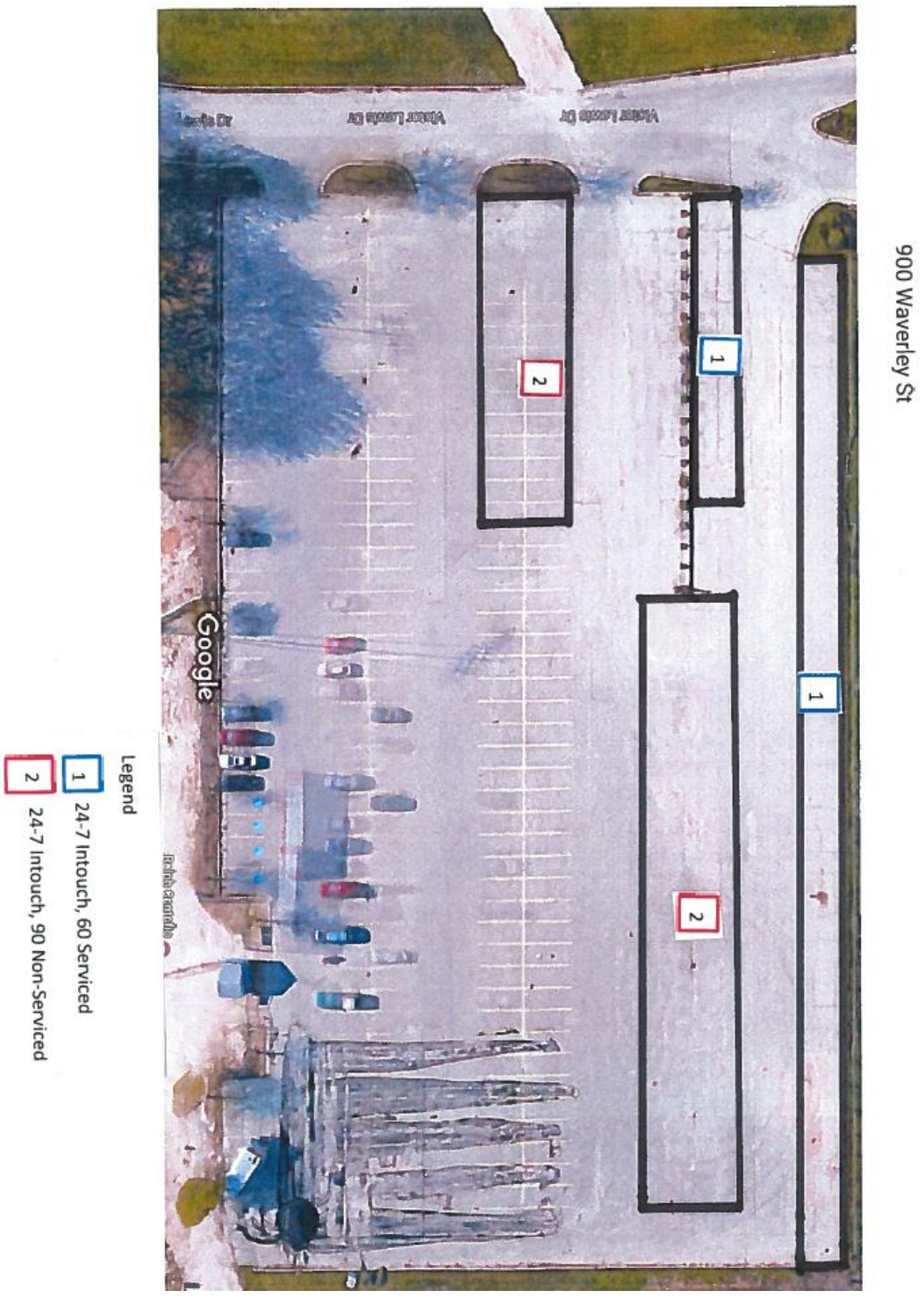
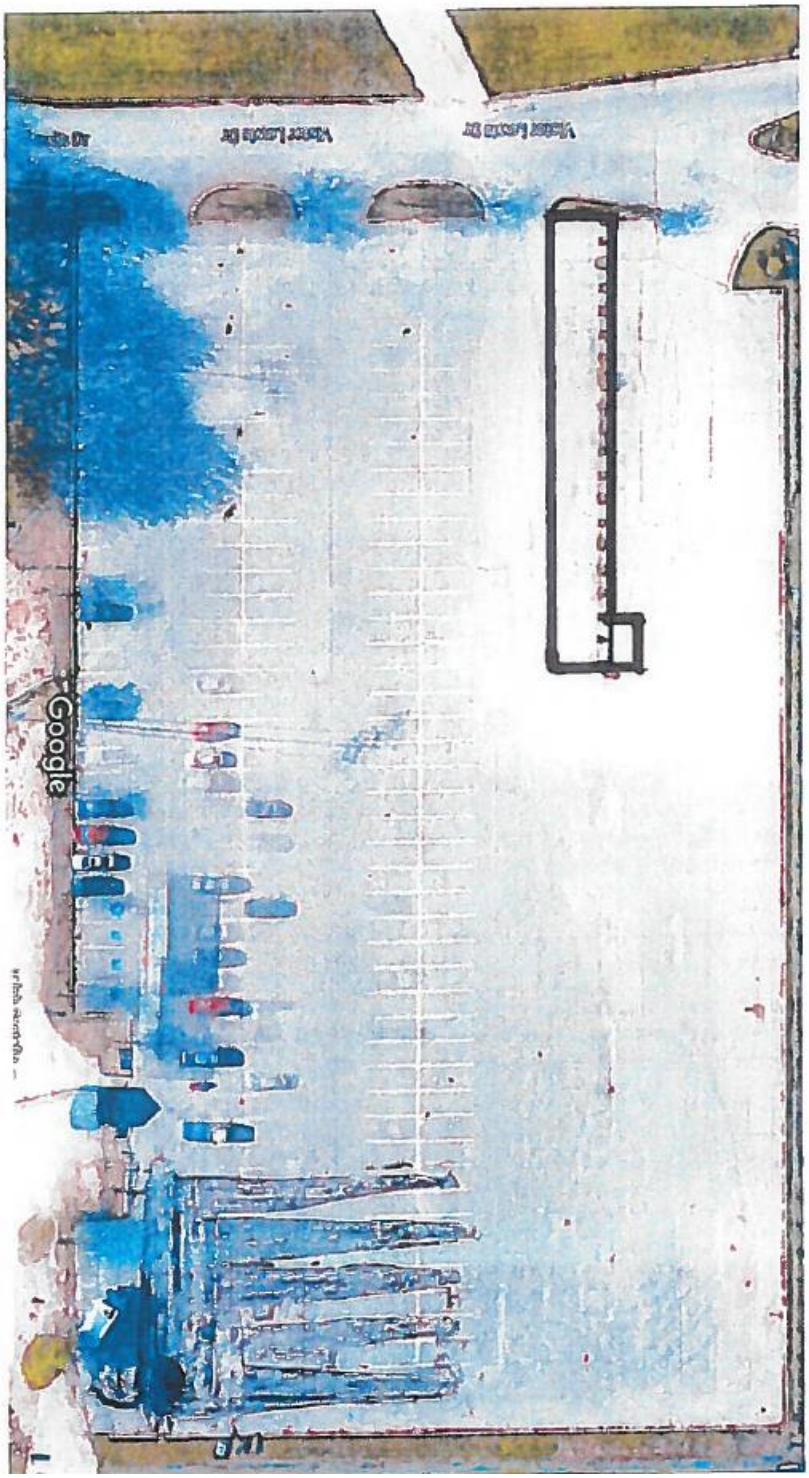
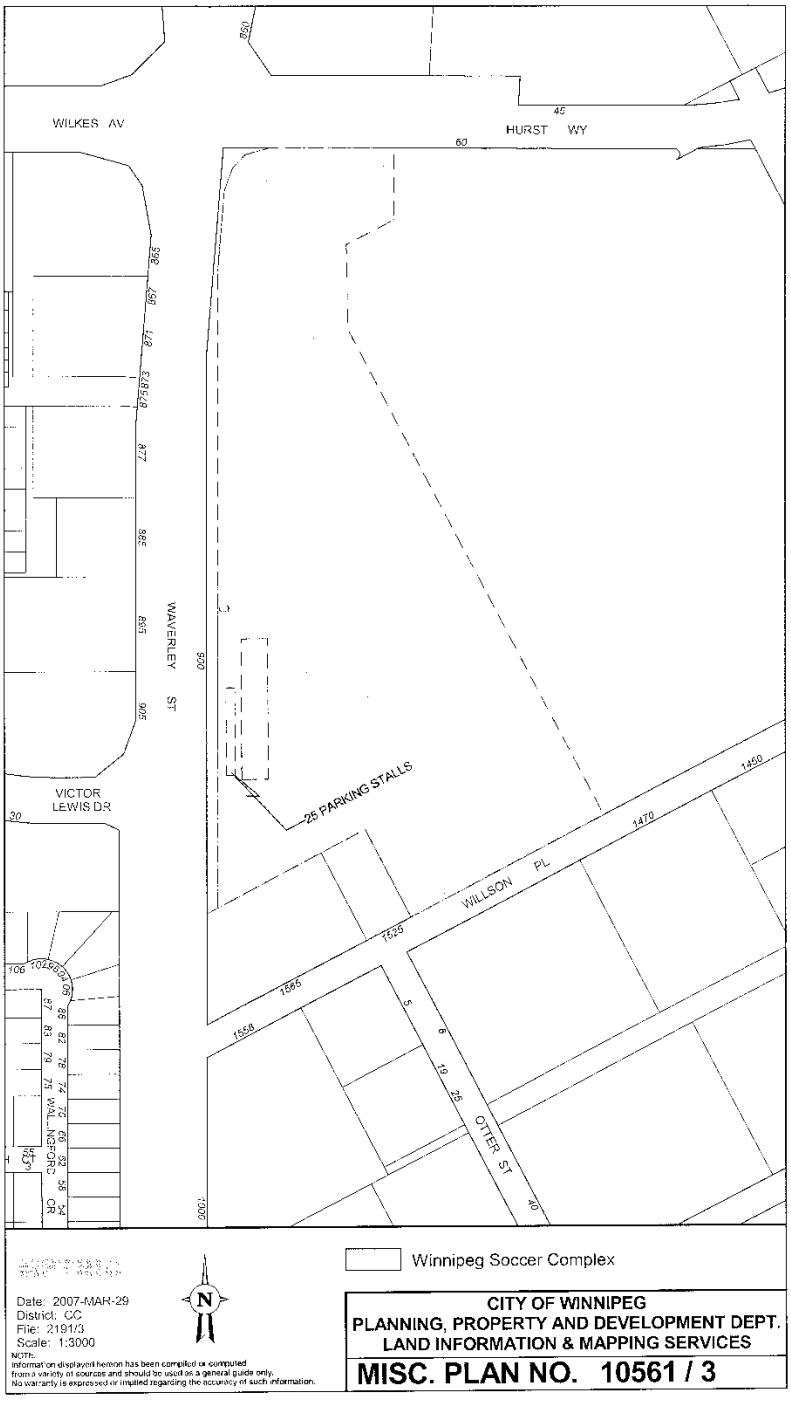
SCHEDULE A


900 Waverley St
Google
Legend
1
24-7 Intouch, 60 Serviced
2
24-7 Intouch, 90 Non-Serviced

SCHEDULE B



SCHEDULE C


WILKES AV
HURST WY
WAVERLEY ST
VICTOR LEWIS DR
25 PARKING STALLS
WILLSON PL
OTTER ST
WALLINGFORD CR
Winnipeg Soccer Complex
Date: 2007-MAR-29
District: CC
File: 2181/3
Scale: 1:3000
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 DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 10561 / 3