Agenda – Council – November 15, 2017

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – November 7, 2017

Item No. 9 Lease Agreement – Portion of 603 St. Mary's Road (St. Vital Ward)

STANDING COMMITTEE RECOMMENDATION:

On November 8, 2017, 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 the proposed lease agreement be approved in accordance with the terms and conditions as contained in Schedule "A" and incorporating such other terms and conditions deemed necessary by the City Solicitor in order to fulfill the intent of Council.

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

Agenda – Council – November 15, 2017

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – November 7, 2017

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 8, 2017, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On November 7, 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: **Proposed New Lease of a portion of 603 St. Mary's Road on behalf of the Old St. Vital Business Improvement Zone (BIZ) Community Seating Nodes with St. Mariann Ltd.**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	J. Kiernan	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

On January 10, 2002, the Standing Policy Committee on Property and Development approved the lease of 603 St. Mary's Rd. for the St. Vital Streetscaping Project. The lease was for a ten year term and a further option to renew for a ten (10) year term. The subject property has changed ownership from Global Communications Limited. (as successor in interest to Can-west Properties Limited), to St. Mariann Ltd., therefore approval of a new lease is requested to clearly identify the new ownership and the least of additional lands.

RECOMMENDATIONS

1. That the proposed lease agreement be approved in accordance with the terms and conditions as contained in Schedule "A" and incorporating such other terms and conditions deemed necessary by the City Solicitor in order to fulfill the intent of Council.

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 shall approve all third party leases over ten (10) years in length or over $1,000,000 for the term. The proposed lease agreement is for a fifteen (15) year term, November 15, 2017 to November 14, 2032.

IMPLICATIONS OF THE RECOMMENDATIONS

- The Department has determined that there are no general, policy, regulatory, environmental or human resource implications to entering into a Lease Agreement as set in the attached Schedule "A" (Terms and Conditions).

- The proposed lease would be for a fifteen (15) year term wherein the Old St. Vital BIZ would be responsible for maintenance, repairs and upkeep of the Community Seating Node. This is in place through a separate Legal Funding agreement that the City of Winnipeg has with the Old St. Vital BIZ, which states:

    - *6(2) The parties agree that the City shall have no responsibility for maintenance of the Work once it is completed. The Recipient, Old St. Vital BIZ, shall assume sole responsibility for maintenance of the Work when completed in accordance with the Agreement.*

- The Business Improvement Zones are covered under the City's core liability insurance policies for bodily injury or damage to third parties through the Risk Management Division. Claims arising out of poor maintenance of the Community Seating Node may result in increased premium cost to the City's liability insurance policies.

HISTORY/DISCUSSION

On January 10, 2002, Standing Policy Committee on Property and Development approved the lease of a portion of 603 St. Mary's Rd. with Global Communications (as successor in interest to Can-west Properties Limited), for the Old St. Vital BIZ Community Seating Nodes Streetscaping Project, as shown on Misc. Plan No. 11264, attached as Schedule "B". The lease was approved for a ten (10) year term and an option to renew for a further ten (10) year term.

The subject property is now owned by St. Mariann Ltd.; therefore a new lease is being sought to clearly identify the new ownership and the lease of additional lands, as shown in Misc. Plan No. 11264/2, attached as Schedule "C". The additional area is required to support installation of an Art Sculpture and additional streetscaping, plantings and seating node improvements. The proposed art installation and streetscaping enhancement project is a joint partnership between the Winnipeg Arts Council, the Old St. Vital BIZ, and the City of Winnipeg including joint funding. Total estimated value of the project investment at this site is $295,000.00.

In July, 2015, the City received confirmation of award of 2017 Canada 150 Community Infrastructure Program Project through Display Infrastructure Grant to a maximum contribution of $50,200.00.

Before Old St. Vital BIZ can complete this phase of the project, the BIZ is asking the City to assist them, by entering into a new lease agreement on behalf of the Old St. Vital BIZ so that the art installation may be completed and Community Seating Nodes can be improved on the property owned by St. Mariann Ltd.

The original agreement included the area for a transit Bus Shelter. This agreement will be dealt with as a separate new lease.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 17, 2017

Project Name:

First Year of Program 2017

Proposed New Lease of a portion of 603 St. Mary's Road on behalf of the Old St. Vital Business Improvement Zone (BIZ) Community Seating Nodes with St. Mariann Ltd

	2017	2018	2019	2020	2021 to 2031
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	$ 1	$ 1	$ 1	$ 1	$ 27,501
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 1	$ 1	$ 1	$ 1	$ 27,501
Less: Existing Budget Amounts	1	1	1	1	27,501
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs from 2017 to 2021 consist of $1/annum in nominal rent. Costs consist of $2,500/annum in rent from 2022 to 2026 and $3,000/annum in rent from 2027 to 2031.

"Original signed by"

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

Legal Services

Corporate Finance, Insurance Branch

OURWINNIPEG POLICY ALIGNMENT

03-2 Vitality

SUBMITTED BY

Department: Planning Property and Development
Division: Municipal Accommodations
Prepared by: Sandi Caputo, Leasing Officer
Date: October 5, 2017
File No. MA2017-194

Attachments: Schedules A, B, & C

O:\Report Directive\Municipal Accommodations\Leases\2017\MA2017-194 - Proposed Lease of a Portion of 603 St. Mary's Rd for Old St. Vital Biz Community Seating Nodes and Art Installation with St. Mariann Ltd.docx

SCHEDULE A

Terms and Conditions – Lease of a Portion 603 St. Mary's Rd.
Old St. Vital BIZ Community Seating Nodes with St. Mariann Ltd.

Lessee:	The City of Winnipeg (on behalf of the Old St. Vital BIZ)
Lessor:	St. Mariann Ltd.
Location:	603 St. Mary's Rd. (the portion shown on Misc. Plan No. 11264/2)
Purpose:	Community Seating Nodes
Term:	15 Years (November 15, 2017 – November 14, 2032)
Rate:	Years 1 – 5 (November 15, 2017 – November 14, 2022): $ 1.00 per annum Years 6 – 10 (November 15, 2022 – November 14, 2027): $2,500.00 per annum Years 10 - 15 (November 15, 2027 – November 14, 2032): $3,000.00 per annum Paid on January 1st each year

Lessee's Responsibilities:

- Installing an art sculpture, new seating and landscaping
- Ongoing operation, maintenance, repair or replacement of the lands, landscaping, Seating Area and art sculpture
- Insurance – Commercial general liability insurance covering claims for injury, death or damage to the property as a result of any negligent acts or omissions of not less than $2,000,000 per occurrence. Name St. Mariann Ltd., its directors, officers, employees and agents as additional insured.

Termination: St. Mariann Ltd. or Old St. Vital BIZ may terminate this agreement at any time upon providing one hundred & eighty (180) days' notice, in writing, to the other party.

On termination of this agreement, the Old St. Vital BIZ shall immediately remove the seating area and the art sculpture in its entirety and restore the land to its original state to the satisfaction of the Lessor.

We, Towers Realty Group , are duly authorized to act on behalf of St. Mariann Ltd., and hereby agree that St. Mariann Ltd. will enter into a lease agreement with The City of Winnipeg for the use of a portion of the land as shown on the attached Misc. Plan No. 11264/2 and in accordance with the proposed terms and conditions as outlined herein.

Signature

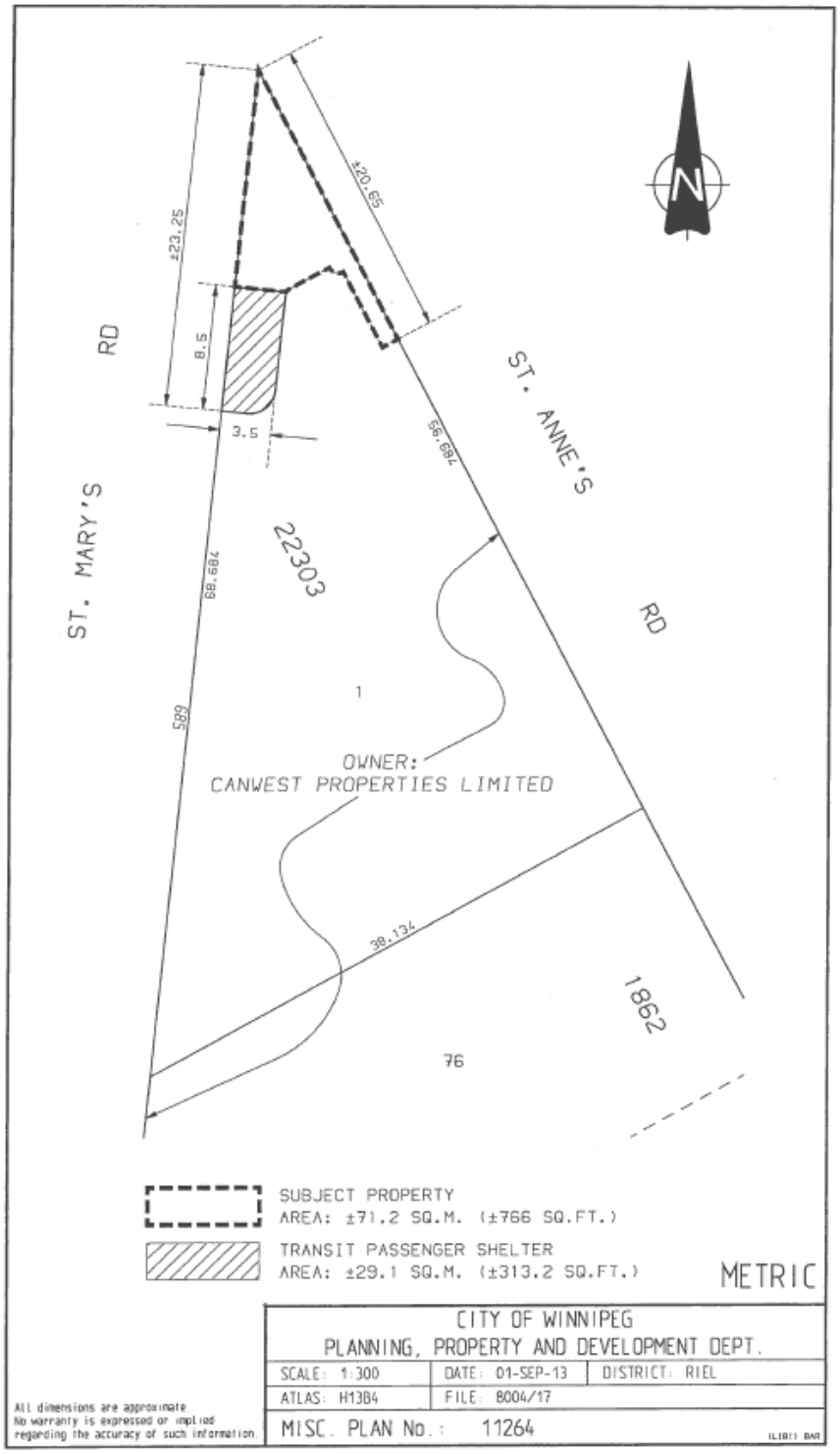
Sept 22, 2017
Date

Paula Pranca
Name

Commercial Property Manager.
Position

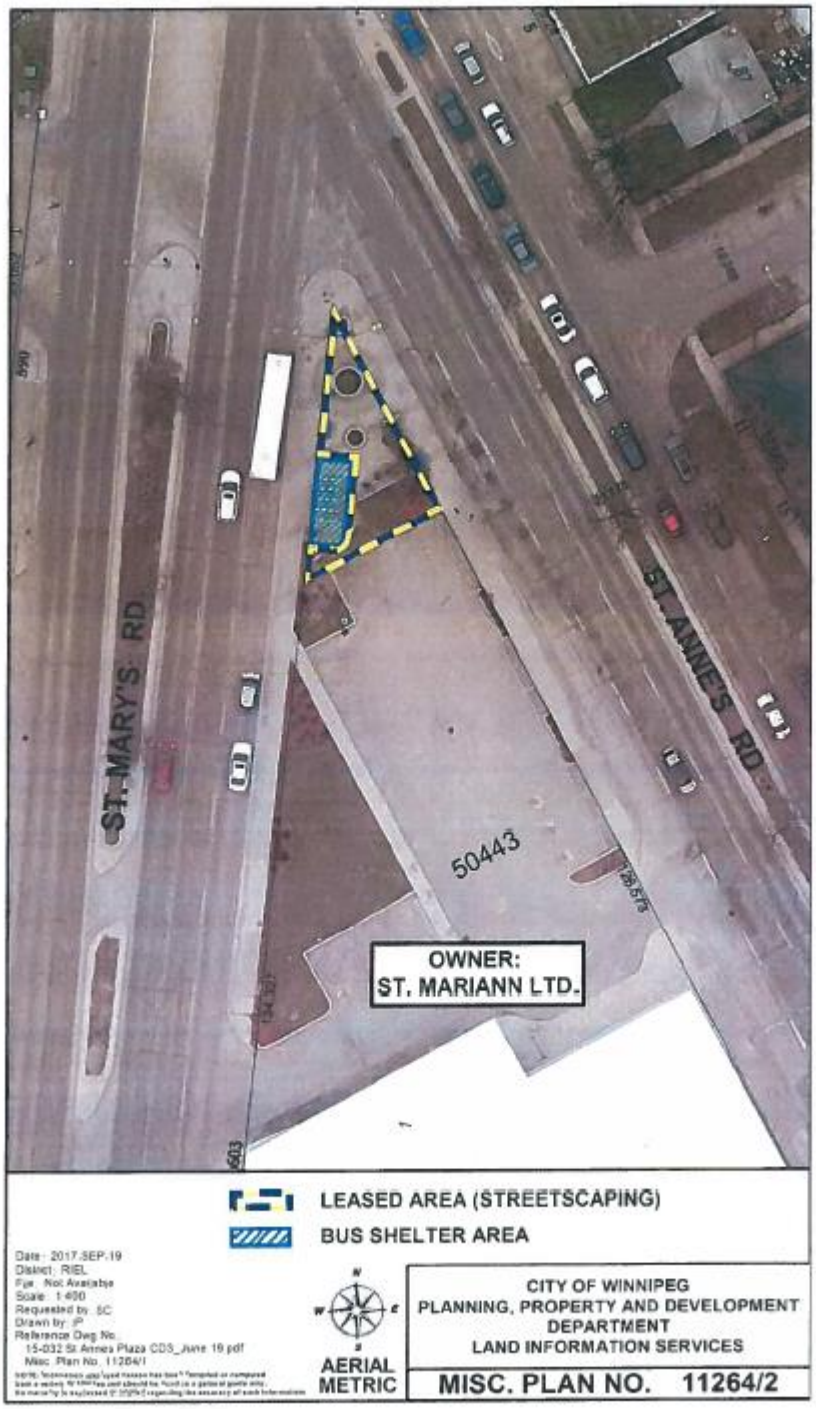
O/reports Directive/MunicipalAccommodations/Leases/Terms and Conditions-603 St. Mary's Road - St. Mariann Ltd.

SCHEDULE B



ST. MARY'S RD
ST. ANNE'S RD
±23.25
±20.65
8.5
3.5
789.95
789.68
589
22303
1
OWNER:
CANWEST PROPERTIES LIMITED
38.134
1862
76
SUBJECT PROPERTY
AREA: ±71.2 SQ.M. (±766 SQ.FT.)
TRANSIT PASSENGER SHELTER
AREA: ±29.1 SQ.M. (±313.2 SQ.FT.)
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
SCALE: 1:300
DATE: 01-SEP-13
DISTRICT: RIEL
ATLAS: H13B4
FILE: 8004/17
MISC. PLAN No.: 11264
All dimensions are approximate.
No warranty is expressed or implied regarding the accuracy of such information.

SCHEDULE C


ST. MARY'S RD
ST. ANNE'S RD
50443
OWNER:
ST. MARIANN LTD.
LEASED AREA (STREETSCAPING)
BUS SHELTER AREA
Date : 2017.SEP.19
District : RIEL
Eye : Not Available
Scale : 1:400
Requested by : SC
Drawn by : JP
Reference Dwg No.
15-032 St Annes Plaza CDS_June 19.pdf
Misc. Plan No. 11264/1
N
W
E
S
AERIAL
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT
DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 11264/2