Agenda – Council – July 23, 2020

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – July 13, 2020

Item No. 2 Proposed Amendments to the Sale of 180 Market Avenue, Pantages Playhouse Theatre (Point Douglas Ward)

STANDING COMMITTEE RECOMMENDATION:

On July 15, 2020, 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 Recommendation Nos. 1, 2, 3 and 4 in the report titled "Sale of City-owned property located at 180 Market Avenue, commonly known as the Pantages Theatre", adopted by Council on March 21, 2019, be rescinded.

2. That subject to the approval of Recommendation No. 1, the City-owned property located at 180 Market Avenue, identified as "Subject City Property" on the attached Misc. Plan No. 13916/4 (Schedule A), be declared as surplus to the needs of the City.

3. That subject to the approval of Recommendations Nos. 1 and 2, the sale of the Subject City Property to Alex Boersma and Lars Nicholson, or a nominee approved by the Chief Administrative Officer (the "Proponent"), for the purchase price of $530,000.00, be approved.

4. That the City enter into, execute and deliver an Offer to Purchase and an Amending Agreement with the Proponent, 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").

5. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Offer to Purchase, the Amending Agreement 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.

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

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – July 13, 2020

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 15, 2020, 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 July 13, 2020, 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.

Don Leitch, Board Chair, Royal Winnipeg Ballet, submitted a communication date June 23, 2020, with respect to the matter.

On June 16, 2020, the Standing Policy Committee on Property and Development, Heritage and Downtown Development laid the matter over its meeting on July 13, 2020, and directed the Winnipeg Public Service to continue discussions with the purchaser to provide greater clarity on how they intend to develop the site and implement future programming of the theatre.

The following persons submitted communications in support of the matter:

- Councillor Santos, Point Douglas Ward, submitted a communication dated June 12, 2020
- Alex Boersma, submitted a communication from Deeley Fabbri Sellen LLP dated June 15, 2020.

ADMINISTRATIVE REPORT

Title: Proposed Amendments to the Sale of 180 Market Avenue, Pantages Playhouse Theatre

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

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Pittet	J. Kiernan	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

On June 8, 2018, the Public Service issued a Request for Proposal ("RFP") to purchase the Subject City Property (attached as Schedule B) located at 180 Market Avenue, commonly known as the Pantages Playhouse Theatre.

On March 21, 2019, Council concurred in the recommendation of the Public Service to approve the sale of the Subject City Property to Alex Boersma and Lars Nicholson (the "Proponent"), subject to conditions, including the following:

A. The Proponent to grant an easement to the City for use of the northerly corner of the Subject City Property for installation and maintenance of an art installation.

It has been determined that the above noted easement does not meet the requirements necessary for registration at the Winnipeg Land Titles Office, and therefore cannot be completed.

The Public Service has negotiated with the Proponent to retain the northerly section of the City Owned Property containing the art installation and recommends that the March 21, 2019 Council Recommendations be rescinded and replaced with new Recommendations to reflect this change.

RECOMMENDATIONS

1. That Recommendation Nos. 1, 2, 3 and 4 in the report titled "Sale of City-owned property located at 180 Market Avenue, commonly known as the Pantages Theatre", adopted by Council on March 21, 2019, be rescinded.

2. That subject to the approval of Recommendation No. 1, the City-owned property located at 180 Market Avenue, identified as "Subject City Property" on the attached Misc. Plan No. 13916/4 (Schedule A), be declared as surplus to the needs of the City.

3. That subject to the approval of Recommendations Nos. 1 and 2, the sale of the Subject City Property to Alex Boersma and Lars Nicholson, or a nominee approved by the Chief Administrative Officer (the "Proponent"), for the purchase price of $530,000.00, be approved.

4. That the City enter into, execute and deliver an Offer to Purchase and an Amending Agreement with the Proponent, 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").

5. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Offer to Purchase, the Amending Agreement 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.

6. 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 to amend a previous Council decision.

IMPLICATIONS OF THE RECOMMENDATIONS

A subdivision of the City-owned property, identified on Misc. Plan 13916/4 (attached as Schedule A), is required to create the Subject City Property. The remnant City-owned property will be retained by the City to permit the maintenance of the public art installation known as Bloody Sunday. The Proponent will facilitate the subdivision at their sole expense as a condition of the proposed sale.

An amendment agreement is required to alter the sale conditions contained within the Offer to Purchase.

Should the recommendations contained in this report not be approved, the sale of the Subject City Property cannot proceed inasmuch as the requirement for an easement cannot be resolved.

HISTORY/DISCUSSION

The Subject City Property, commonly known as the Pantages Playhouse Theatre (the "Theatre"), was constructed in 1913/1914. The Theatre was acquired by the City of Winnipeg through tax sale on July 31, 1944.

The Theatre was added to the List of Historical Resources under Municipal By-law 55/2014 on January 5, 1981. It is listed as a Manitoba Provincial Heritage Site under The Heritage Resources Act and a National Historic Site under the Historic Sites and Monuments Act.

On June 8, 2018, the Public Service issued a Request for Proposal ("RFP") to purchase the Subject City Property (attached as Schedule B).

On March 21, 2019, Council concurred in the recommendations of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and adopted the following:

1. That the City-owned property located at 180 Market Avenue, identified as "Subject City Property" on the attached Misc. Plan No. 13916, be declared surplus to the needs of the City.

2. That subject to the approval of Recommendation No. 1, the sale of the Subject City Property to Alex Boersma and Lars Nicholson, or a nominee approved by the Chief Administrative Officer (the "Proponent"), for the purchase price of $530,000.00, be approved subject to the following conditions:

A. The Proponent to grant an easement for the City for use of the northerly corner of the Subject City Property for installation and maintenance of an art installation.

3. That the City enter into, execute and deliver an Offer to Purchase and an Easement Agreement with the Proponent, 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").

4. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Offer to Purchase, the Easement Agreement 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.

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

It has been determined that the proposed easement, a condition of the sale referenced in Recommendation No. 2 (A), does not meet the requirements for registration at the Winnipeg Land Titles Office and therefore cannot be completed.

As an alternative to the easement, the Public Service and the Proponent have agreed to subdivide the Subject City Property, wherein the City will retain ownership of the public art installation, known as Bloody Sunday.

In order to provide clarity to decision makers, the Public Service recommends that the previous Council decision from March 21, 2019 be rescinded and replaced with a new set of recommendations. The new recommendations are largely similar to those previously approved by Council but the reference to an easement is eliminated and the amount of land to be declared surplus and sold is reduced. The alteration of the boundaries of the surplus land will necessitate the subdivision of land on which the public art installation is located; the proponent has confirmed that they will undertake the subdivision at their sole cost and effort as a condition of the sale and prior to the closing of the transaction.

The Proponent has satisfied or waived all of the conditions within the Offer to Purchase Agreement with the exception of the aforementioned easement requirement. The Proponent has indicated that they have the financial capacity to follow through with the transaction and would like to conclude the sale following the resolution of the easement requirement.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 28, 2020

Project Name:

First Year of Program 2020

Proposed Sale of City-owned property located at 180 Market Avenue, commonly known as the Pantages Playhouse Theatre

	2020	2021	2022	2023	2024
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	530,000	-	-	-	-
Net Cost/(Benefit)	$ (530,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(530,000)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Net proceeds of disposition of $530,000 will be credited to the Land Operating Reserve. The municipal property tax implications of the proposed sale are not material and have been excluded from this analysis.

"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

01-1c – Key Directions for Specific City Areas

"Support the expanded presence of arts, culture, sports, entertainment and leisure throughout Downtown together with complementary services and attractions seeking to:

- Draw more people and created more extended hour activity strategically throughout Downtown
- Establish Downtown as a place of vibrancy and celebration."

Should the recommendations contained in this report be approved, the proposed sale of the Subject City Property to the Proponent will be able to proceed resulting in continued and enhanced use of the Theatre for arts purposes within the Downtown area.

02-3 – Enhance the Viability of the Exchange District National Historic Site

"Collaborate on the development of a renewed vision for the Exchange District as a vibrant area of conserved heritage that is an exciting place to live, work and visit."

Should the recommendations contained in this report be approved, the proposed sale of the Subject City Property to the Proponent will be able to proceed, resulting in the potential renovation and restoration of the Theatre which is located within the east Exchange District boundaries.

02-3 – Conserve, Protect and Celebrate the Significant Heritage Resources That Illustrate the Broad Range of Winnipeg's Heritage Values

"Recognize the importance of a broad range of tangible and intangible heritage resources throughout the City and illustrate a unique sense of place and community pride."

The Subject City Property is a designated heritage resource and the Proponent seeks to protect and enhance the Theatre in accordance with the heritage policies and restrictions.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Land Use: Section 4.1 – Key Directions and Actions - Increase Strategic Development That Provides Access to and Capitalizes on Existing and Planned Corridors with Frequent Transit Service

"Explore opportunities for the City of Winnipeg to take a more direct role in advancing mixed use development that may include developing City-owned lands, assembling land for resale, partnering on development, or using City funds to leverage private investment."

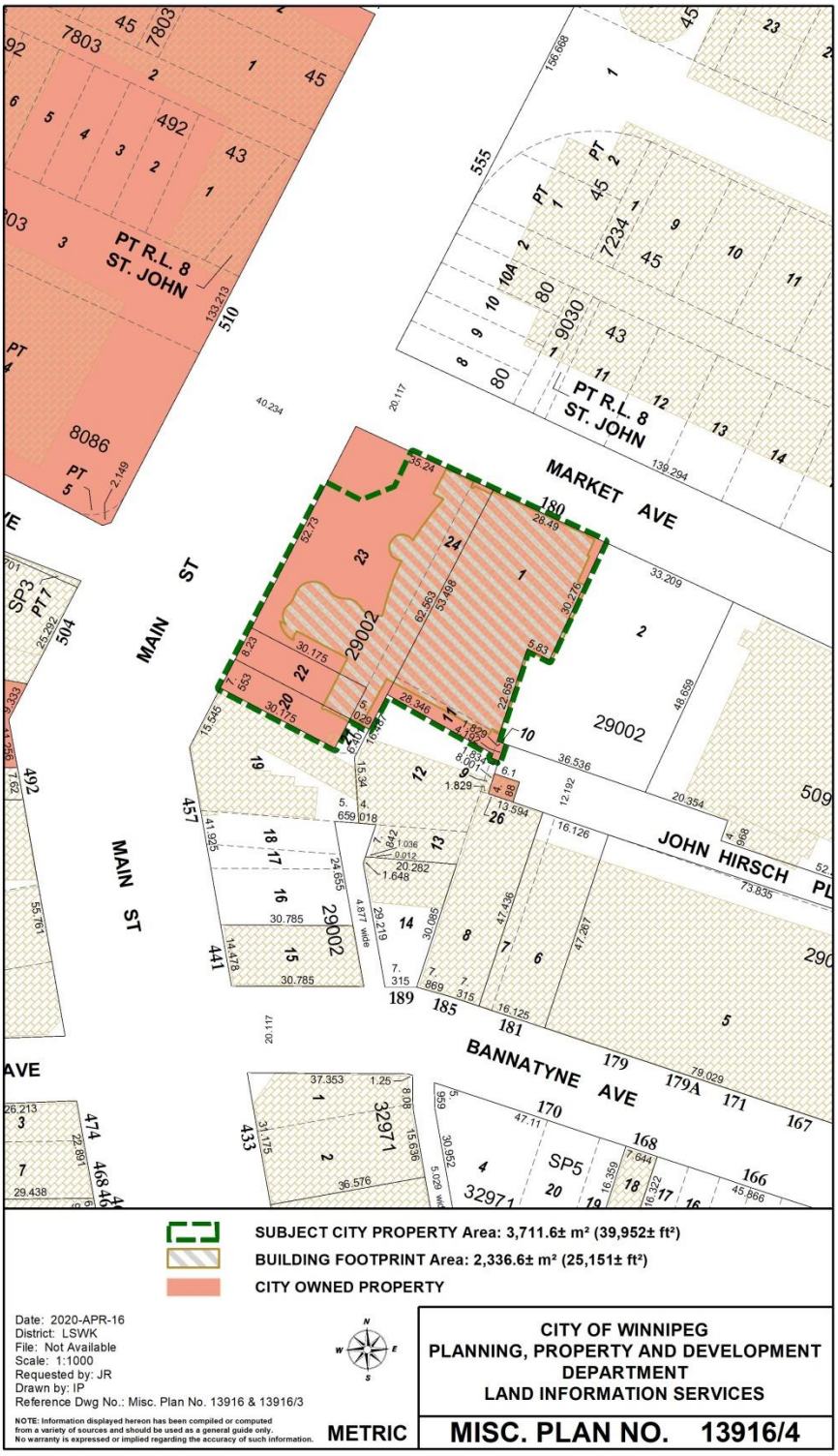
The Subject City Property is proposed to see future redevelopment as well as renovation / restoration of the existing Theatre.

SUBMITTED BY

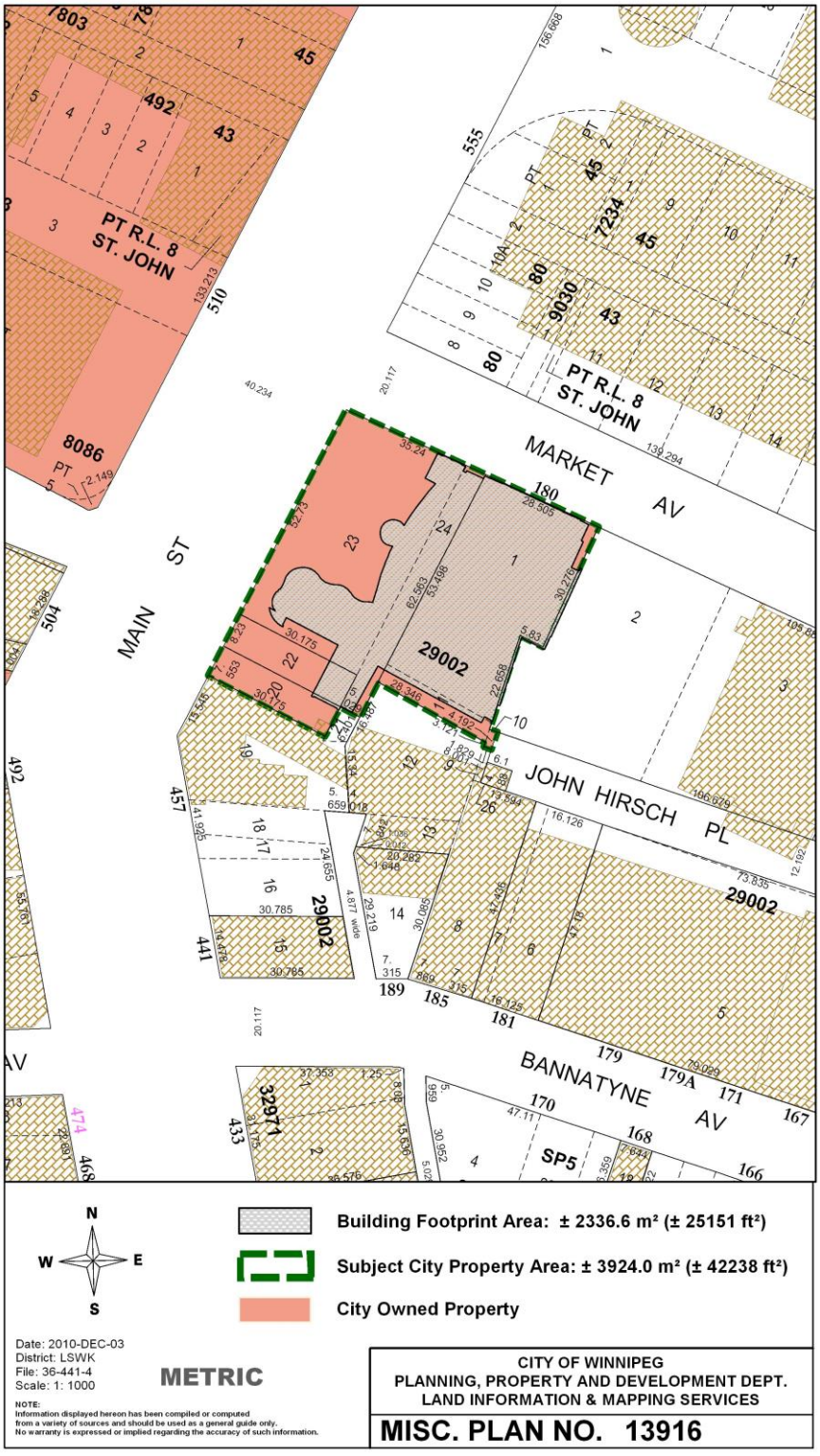
Department: Planning, Property and Development
Division: Real Estate & Land Development
Prepared by: Julian Roberts, Senior Negotiator
Date: May 5, 2020

Attachments: Schedule A – Misc. Plan No. 13916/4
Schedule B – Misc. Plan No. 13916

Schedule A


MARKET AVE
MAIN ST
JOHN HIRSCH PL
BANNATYNE AVE
PT R.L. 8 ST. JOHN
29002
SUBJECT CITY PROPERTY Area: 3,711.6± m² (39,952± ft²)
BUILDING FOOTPRINT Area: 2,336.6± m² (25,151± ft²)
CITY OWNED PROPERTY
Date: 2020-APR-16
District: LSWK
File: Not Available
Scale: 1:1000
Requested by: JR
Drawn by: IP
Reference Dwg No.: Misc. Plan No. 13916 & 13916/3
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.
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 13916/4

Schedule B


MAIN ST
MARKET AV
JOHN HIRSCH PL
BANNATYNE AV
PT R.L. 8 ST. JOHN
29002
32971
SP5
N
W
E
S
Building Footprint Area: ± 2336.6 m² (± 25151 ft²)
Subject City Property Area: ± 3924.0 m² (± 42238 ft²)
City Owned Property
Date: 2010-DEC-03
District: LSWK
File: 36-441-4
Scale: 1: 1000
METRIC
NOTE:
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 13916