Minute No. 589
Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 6, 2022

Item No. 1 Waiver of the Real Estate Policy Framework – 22 Granite Way (Fort Rouge-East Fort Garry Ward)

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and adopted the following:

1. That Clause 3.2.A.iii. of the Real Estate – Leasing and Licensing of Property Policy be waived and that exclusive marketing of the Subject Property identified on Misc. Plan 11959/3, attached hereto as Schedule A, to the Granite Curling Club be approved.

2. That Clause 3.2.A.ii. and 4.3.D. iv. of the Real Estate – Declaration as Surplus and Sale of Property Policy be waived and that exclusive marketing of the Subject Property identified on Misc. Plan 11959/3, attached hereto as Schedule A, to the Granite Curling Club, be approved.

3. 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 – June 6, 2022

DECISION MAKING HISTORY:

Moved by Councillor Gilroy,

That the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 15, 2022, 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 June 6, 2022, 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: Waiver of the Real Estate Policy Framework – 22 Granite Way

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	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

The Subject Property located at 22 Granite Way is a Historical Resource currently leased to the Granite Curling Club for use and operation of an amateur curling club. The Granite Curling Club previously owned the building and has operated the Club since its construction in 1913. The existing lease has expired, and the tenant now operates on a year-to-year agreement under the same terms.

The City acquired the Subject Property identified on Misc. Plan 11959/3 (See Schedule A) in 1975 by Tax Sale.

The Granite Curling Club has expressed interest in either the purchase or lease of the Subject Property for the continued use as a curling club. The tenant subleases the Subject Property during the summer months in order to subsidize the Club's business operations and requires either a new lease or sale of the property to enter into long-term sublease contracts.

Recognizing the ongoing work of the Strategic Facilities Master Plan, the Public Service will actively explore a sale opportunity with the Club or ensure that a lease does not negatively impact the City's finances.

On September 29, 2021, Council adopted the Real Estate Policy Framework, a consolidated policy framework for sales, acquisitions and leases. The Framework outlines the criteria to qualify for a direct sale or a direct lease. Presently, the Granite Curling Club does not qualify for either.

Due to the specialized use of the Subject Property and its historical ownership, the Public Service recommends a waiver of the Leasing and Licensing of Property Policy and the Declaration as Surplus and Sale of Property Policy to pursue a potential sale or lease of the Subject Property directly to the Granite Curling Club.

The Ward Councillor has been notified of the intentions of the Public Service.

RECOMMENDATIONS

1. That Clause 3.2.A.iii. of the Real Estate – Leasing and Licensing of Property Policy be waived and that exclusive marketing of the Subject Property identified on Misc. Plan 11959/3, attached hereto as Schedule A, to the Granite Curling Club be approved.

2. That Clause 3.2.A.ii. and 4.3.D. iv. of the Real Estate – Declaration as Surplus and Sale of Property Policy be waived and that exclusive marketing of the Subject Property identified on Misc. Plan 11959/3, attached hereto as Schedule A, to the Granite Curling Club, be approved.

3. 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 waive Council approved policies and authorize a direct sale/lease where the policy criteria is not met.

IMPLICATIONS OF THE RECOMMENDATIONS

The Subject Property will not be marketed or advertised to the public, providing no opportunity for other interested proponents to lease (or purchase) the property as it will be offered exclusively to the Granite Curling Club.

There are no direct financial implications associated with this report. If terms and conditions are negotiated, a sale of the Subject Property will require approval from Standing Policy Committee on Property and Development, Heritage and Downtown Development or its delegated authority.

HISTORY/DISCUSSION

The Granite Curling Club Inc., founded in 1880, is a non-profit organization currently registered in Manitoba to promote the sport of curling.

The Subject Property is located at 22 Granite Way (Formerly Mostyn Place) and is the oldest curling club in Winnipeg.

The City acquired the Granite Curling Club facility in 1975 via Tax Sale. On August 20, 1975, Council approved the acquisition of the Granite Curling Club property at the cost of $350,000 and the property was leased back to the Club for a period of 10 years. The lease has been extended numerous times since 1975.

The building was designated as a Historical Resource on September 29, 1986.
On May 4, 2009, the Standing Policy Committee on Downtown Development approved a lease in favour of the Granite Curling Club, with a gross annual rental rate of $20,500.00 plus GST,

intended to represent the cost of annual realty taxes. The approved terms and conditions were negotiated to include an initial term of five (5) years with an option to renew for a further five (5) year term upon expiration. The renewal term expired on December 31, 2019, and the Tenant has been in an overhold status since the expiration. Over the past several years, the City has achieved a modest net return of roughly $7,000 per annum once taxes and maintenance costs are deducted from the gross rent.

On March 29, 2022, the Subject Property was declared surplus by the Manager of Real Estate and Land Development.

The Granite Curling Club has expressed interest in either the purchase or lease of the Subject Property for the continued use as a curling club. In order to subsidize the Club's business operations through a partial sublease of the Subject Property, either a lease or sale of the property is required to enter into long-term contracts.

Recognizing the ongoing work of the Strategic Facilities Master Plan, the Public Service will actively explore a sale opportunity with the Club or ensure that a lease does not negatively impact the City's finances. A lease agreement could include a future option to purchase as well.

The Real Estate Policy Framework requires that City property be marketed to the general public where direct lease or direct sale criteria is not met:

Real Estate – Leasing and Licensing of Property Policy

3.2.A. A Property Management Lease or Licence must:

iii. Subject to Section 3.2(B), be Marketed;

Real Estate – Declaration as Surplus and Sale of Property Policy

3.2.A. Sales must:

ii**.** Be marketed, except for Direct Sales (Section 3.2(B));

4.3. Designated Committee is authorized to:

D. Approve the evaluation criteria for Sales to be marketed through a request for proposal, which includes the following:

iv. Properties that are acquired through tax sale must first be marketed to not for profit housing corporations as is already done in the six Housing Improvement Zones across the city.

Considering the specialized use of the Subject Property and its historical ownership, the Public Service recommends that exclusive marketing to the Granite Curling Club be pursued.
The Ward Councillor has been notified of the intentions of the Public Service.

FINANCIAL IMPACT

Financial Impact Statement Date: March 23, 2022

Project Name:

Partial Waiver of the Real Estate Policy Framework – 22 Granite Way

COMMENTS:

To the extent that marketing the subject property to the public may result in a financial return to the City greater than what may ultimately result from negotiating a direct sale or lease with the Granite Curling Club, there may be an opportunity cost associated with the recommendations contained in this report. However, at this time, the potential opportunity cost is not reasonably estimable. As such, there are no direct financial implications associated with this report.

Mike McGinn Mar. 23, 2022
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

Section 02-3 Heritage

Direction 1: Support Heritage conservation as a factor of sustainable growth.

Direction 2: Work with community partners to promote preservation of Heritage designated building and the original purpose of the building.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

7.2 Increase and Preserve Tree Canopy
7.3 Preserve and Manage Parks and Natural Areas to Support Climate Change Mitigation

A Sale or lease of the Subject Property does not impact the adjacent greenspace.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property and Development Department
Division: Real Estate and Land Development
Prepared by: Nike Owolabi, Property Administrator
Fox Kim, Senior Negotiator
Date: April 7, 2022
File No: 5388/A

Attachment:
Schedule A – Misc. Plan 11959/3

SCHEDULE A


GRANITE WAY
COLONY ST
OSBORNE ST N
ASSINIBOINE RIVER
17751
14788
59634
7096
5114
803
7498
Date: 2019-JUL-30
District: CC
File: Not Available
Scale: 1:1000
Requested by: COs
Drawn by: IP
Reference Dwg No.: As requested
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.
SUBJECT PROPERTY
Area: 5,470± m² (58,880± ft²)
AERIAL
(2018)
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 11959/3