Agenda – Council – September 22, 2022

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – September 8, 2022

Item No. 2 Amendment to the Real Estate Policy Framework (Leasing and Licensing of Property)

STANDING COMMITTEE RECOMMENDATION:

On September 14, 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 following to Council:

1. That amendments to the Real Estate – Leasing and Licensing of Property Council Policy, attached as Schedule A, be approved.

2. 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 – September 8, 2022

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 14, 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 September 8, 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: Amendment to the Real Estate Policy Framework (Leasing and Licensing of Property)

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

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Chappell (Acting)	J. Kiernan	N/A	M. Jack

EXECUTIVE SUMMARY

The Public Service recommends that the Real Estate Policy Framework be amended to require that vacant City-owned rental spaces (land or building) be marketed. The current policy requires that *all* City-owned rental spaces be marketed, subject to exceptions.

City rental spaces may be occupied by tenants. The current policy, as written, would require those spaces to be marketed, even though existing tenants might be in good standing and/or provided improvements to their space. Examples of City rental spaces with existing tenants include the underground concourse, skywalk and various other former civic buildings or recreational spaces.

This report recommends the Leasing and Licensing of Property Policy be amended to distinguish vacant City-owned rental spaces from all City-owned rental spaces. The question of the optimization/accessibility of occupied City-owned rental spaces will be addressed within the proposed Strategic Facilities Master Plan, rather than through the Leasing and Licensing of Property Policy.

RECOMMENDATIONS

1. That amendments to the Real Estate – Leasing and Licensing of Property Council Policy, attached as Schedule A, be approved.

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

REASON FOR THE REPORT

Council approval is required to amend Council policies.

IMPLICATIONS OF THE RECOMMENDATIONS

For occupied rental spaces, the proposed change to the Framework will eliminate the need to request a waiver of Council policy where the Public Service/tenant support an ongoing rental arrangement.

Marketing vacant City-owned rental spaces (subject to exceptions noted in the Framework) will ensure potential public access to available City amenities.

HISTORY/DISCUSSION

On September 29, 2021, the Real Estate Policy Framework ("Framework") was adopted. The Framework represented a consolidation and update of the City's real estate policies on sales, acquisitions and leases/licences.

Section 3.2.A.iii. of the Leasing and Licensing of Property Policy requires that City rental property be marketed except in certain circumstances which are outlined in Section 3.2.B. (e.g. unbuildable land, property is required for access, etc.). As a result, in spaces that are currently occupied, existing tenants are not afforded the right to exclusively negotiate further lease extensions without a waiver of Council policy.

Prior to the Framework, no policies existed that defined how City-owned rental spaces are marketed. The implementation of a marketing requirement was intended to provide the public with greater access to City-owned rental spaces. However, the policy potentially disrupts existing tenants who are in good standing and/or have invested in improvements to their space.

It is recommended that the Leasing and Licensing of Property Policy be amended to require that vacant City-owned rental spaces (land or building) be marketed as opposed to all City-owned rental spaces. The proposed Strategic Facilities Master Plan will address the optimization / accessibility of occupied City-owned rental spaces rather than the *Leasing and Licensing of Property* Policy.

Removing the requirement to market all City-owned rental spaces will ensure the proposed Strategic Facilities Master Plan and Framework are aligned.

The amendment to the Leasing and Licensing of Property Policy is bolded and italicized in Appendix B (attached as Schedule A).

FINANCIAL IMPACT

Financial Impact Statement

Date: July 27, 2022

Project Name:

Amendment to the Real Estate Policy Framework (Leasing and Licensing of Property)

COMMENTS:

There are no direct financial implications associated with this report.

C. Turman, for

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

City Clerk's Department
Legal Services (as to legal issues)
Assets and Project Management Department

OURWINNIPEG POLICY ALIGNMENT

Economic Prosperity

1. Ensure transparent and predictable conditions are in place to support desired business growth through attraction, investment, and retention. Create the conditions to support development and business growth that aligns with this Plan's goals, through strategic municipal investments, regulatory processes, service delivery, research, communications, and partnerships.

4. Make strategic use of community and regional assets to optimize local economic competitiveness. Enable resilient and diversified economic development that strengthens local business activities and workforce retention; connects people, goods and services; and builds on industry sectors and investments that secure Winnipeg's long-term relevance in a competitive global economy

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The Framework allows for direct leases or licences if the purchaser/tenant addresses specific goals within the Climate Action Plan.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Gord Chappell, Real Estate Administrator
Date: August 3, 2022
File No:

Attachments:

Schedule A – Leasing and Licensing of Property Policy