Minutes – Executive Policy Committee – September 21, 2023

Report – Standing Policy Committee on Property and Development – September 18, 2023

Item No. 8 Proposed Lease Agreement between The Forks Renewal Corporation and the City of Winnipeg for portions of City-owned lands located at 70 Alexander Avenue (commonly known as Alexander Docks) (Point Douglas Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That, subject to the approval of two-thirds of all Council members (pursuant to subsection 205(2) of The City of Winnipeg Charter) the City enter into, execute, and deliver a Lease Agreement with The Forks Renewal Corporation for the land located at 70 Alexander Avenue as identified on Misc. Plan No. 7806/23 (attached) for $1.00 per annum, 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").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions for The Forks Renewal Corporation Lease 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 interest of the City.

3. 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 – September 21, 2023

Report – Standing Policy Committee on Property and Development – September 18, 2023

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Rollins,

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On September 18, 2023, the Standing Policy Committee on Property and 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 Lease Agreement between The Forks Renewal Corporation and the City of Winnipeg for portions of City-owned lands located at 70 Alexander Avenue (commonly known as Alexander Docks)

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

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Chappell (Acting)	J. Veitch (Acting)	B. D'Avignon (Acting)	M. Jack

EXECUTIVE SUMMARY

On November 25, 2021, Council approved the COVID-19 Economic Response and Recovery Plan ("The Plan"). The Plan supports the Downtown Recovery Strategy ("DRS"), a three-year action and investment strategy developed by downtown stakeholder organizations and City staff with input from community members to support the recovery of the downtown from the COVID-19 pandemic. $600,000 of the existing DRS budget has been allocated for the Alexander Docks Area project, with an overall fundraising goal of $2.2 million from various sources.

The Public Service seeks approval to enter into a below market lease (annual rent of $1.00) with The Forks Renewal Corporation ("The Forks") for the land located at 70 Alexander Avenue ("Alexander Docks") as identified on Misc. Plan No. 7806/23 (attached). The lease will be for a maximum term of 99 years (inclusive of any renewal or extension terms). This will provide maximum flexibility to The Forks to determine the future land use, fundraise for development, oversee development and manage the lands for the term as part of the DRS. The Ward Councillor has been notified of the intentions of the Public Service.

RECOMMENDATIONS

1. That, subject to the approval of two-thirds of all Council members (pursuant to subsection 205(2) of The City of Winnipeg Charter) the City enter into, execute, and deliver a Lease Agreement with The Forks Renewal Corporation for the land located at 70 Alexander Avenue as identified on Misc. Plan No. 7806/23 (attached) for $1.00 per annum, 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").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions for The Forks Renewal Corporation Lease 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 interest of the City.

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

A portion of the Alexander Docks is considered parkland. In accordance with subsection 205(2) of The City of Winnipeg Charter, all dispositions of property used or acquired for park or cemetery purposes require approval of at least two-thirds of all members of Council. A lease term in excess of five years is considered to be a disposition of property.

IMPLICATIONS OF THE RECOMMENDATIONS

If the recommendations are approved, a Lease Agreement with the Forks would be negotiated to enable the Forks to complete a feasibility study for revitalizing the area known as the "Alexander Docks", to determine the future land use, fundraise for development, oversee development and manage the lands for the term.

HISTORY/DISCUSSION

In 2015, the Alexander Docks closed and was fenced due to concerns about the safety of the structure. The site includes a vacant gravel lot on the upper bank, an active transportation path and green space. Council directed the Public Service to study the future use of the Alexander Docks site in advance of authorizing budget for the demolition of it.

In 2016, the City (a shareholder of The Forks Renewal Corporation/North Portage Partnerships) asked The Forks, as the keeper of the *Go to the Waterfront* vision for the area, to lead a stakeholder and community engagement process to consult the public about the future of the Alexander Docks site.

Discussions with key area stakeholders, a public online survey and two public open house consultations were completed. Results of this work are detailed in a report The Forks shared with the City in the summer of 2017, which included the recommendation, the dock site should be maintained as a public space for year-round use and a commemorative place for healing and reconciliation.

In 2017, the Public Service approved a two-year timeframe for the extension of the surface parking lot to coincide with street renewal projects in the area that were temporarily impacting the availability of on-street parking.

Early in 2018, a group of Winnipeg architects organized a design competition for the site (including the surface parking lot). The competition received endorsement from the Manitoba Association of Architects, CentreVenture, The Forks, the Exchange District BIZ and the City of Winnipeg. The jury selected winners in May of 2018.

On November 25, 2021, Council approved the COVID-19 Economic Response and Recovery Plan (“The Plan”).

The Plan supports the Downtown Recovery Strategy (“DRS”), a three-year action and investment strategy developed by downtown stakeholder organizations and City staff with input from community members to support the recovery of the downtown from the COVID-19 pandemic.

From the existing DRS budget, $600,000 has been allocated for the Alexander Docks Area project, with an overall fundraising goal of $2.2 million.

The proposal for a Lease Agreement was circulated to applicable City departments. The Winnipeg Parking Authority is in opposition to a proposed lease, and requests the site be retained and managed to address the parking challenges in the area. If the proposed lease is approved, relevant circular comments will be incorporated into the terms and conditions.

In accordance with the Real Estate Transaction Management Framework, the Public Service completed an appraisal to determine the opportunity cost of the Lease Agreement. The appraisal indicated a current rental value of $27,300.00. The highest and best use of the appraisal determined that the Leased Area should be used for continued current use as public space, with potential to repair the docks and utilize this asset.

Given the successful partnerships with The Forks on previous projects, the Public Service recommends entering into a $1.00 per year lease with The Forks to conduct a feasibility study for the area, which will include fundraising for future development, engaging with Indigenous community partners, renewed consultation with area stakeholders, and a plan and schematic design for revitalization of the area. The proposed lease represents best value for the City, as it will rehabilitate the area to ensure public use.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 29, 2023

Project Name:

First Year of Program 2023

Proposed Lease Agreement between The Forks Renewal Corporation and the City of Winnipeg for portions of City-owned lands located at 70 Alexander Avenue (commonly known as Alexander Docks)

	2023	2024	2025	2026	2026 to 2121
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	(259)	(267)	(275)	(283)	(78,415)
Net Cost/(Benefit)	$ 259	$ 267	$ 275	$ 283	$ 78,415
Less: Existing Budget Amounts	259	267	275	283	78,415
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenues in each year from 2023 (assumed to commence on September 1) to 2121 consists of the $1 rent + $258 admin fee increasing by 2%/annum. Total revenues will be $79,499. An internal appraisal indicated annual rental market value of $27,300 for the highest and best use of the Leased Area, that being for use as a public space. Assuming a market exists, there is an opportunity cost of up to approximately $2.7 million (not adjusted for inflation) associated with the 99-year lease agreement.

Mike McGinn June 29, 2023

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:
Legal Services (as to legal issues)
Urban Planning
Economic Development

OURWINNIPEG POLICY ALIGNMENT

Our Winnipeg 2045

Good Health and Well-Being-Objective 1: Enable access to basic needs for good physical and mental health.

City Building Objective 3: Facilitate development opportunities that complete established communities, and plan new communities as complete and connected from the outset.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Advancing Sustainable Transportation – Increasing Mobility Options

Community Climate Resiliency
7.3 - Preserve and manage parks and natural areas to support climate change mitigation.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

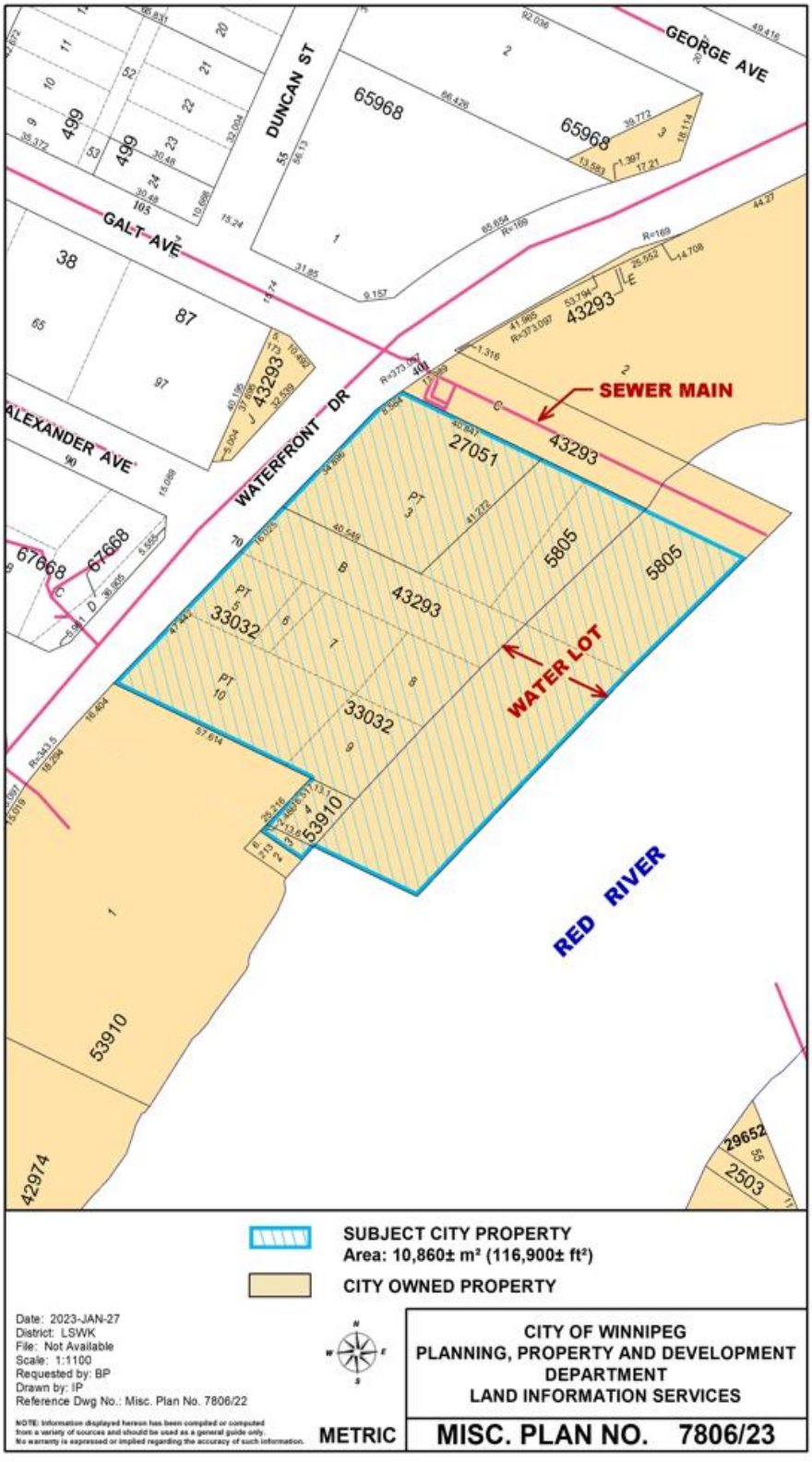
The information and recommendations presented in this report align with and advance the Winnipeg Poverty Reduction Strategy (2021-2031) and embody the following Guiding Principles:

Goal 6: All City Services are Equitable, Inclusive and Accessible

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Bridget Peterson, Senior Property Manager
Date: July 28, 2023
File No: 38/752(V12)

Attachments: Misc Plan No. 7806/23


GEORGE AVE
DUNCAN ST
GALT AVE
WATERFRONT DR
ALEXANDER AVE
SEWER MAIN
WATER LOT
RED RIVER
65968
43293
27051
5805
33032
53910
42974
67668
29652
2503
SUBJECT CITY PROPERTY
Area: 10,860± m² (116,900± ft²)
CITY OWNED PROPERTY
Date: 2023-JAN-27
District: LSWK
File: Not Available
Scale: 1:1100
Requested by: BP
Drawn by: IP
Reference Dwg No.: Misc. Plan No. 7806/22
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. 7806/23