Winnipeg

POLICY TITLE *Real Estate – Leasing and Licensing of Property*	ADOPTED BY *City Council*	EFFECTIVE DATE *September 29, 2021*
ORIGIN / AUTHORITY *City Council*	CITY POLICY NO *PD-028*	MOST RECENT CONSOLIDATION *May 30, 2023*

1. Purpose:

To update the policy in order to authorize direct sales for telecommunication leases or licences, and complete other policy updates.

2. Definitions:

Add:

"Calls to Action" means the 94 Calls to Action contained within the Truth and Reconciliation Commission of Canada: Calls to Action;

"Calls for Justice" means the 231 Calls for Justice within the Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women, Girls and Gender Diverse People;

"National Action Plan" is a strategic framework developed to outline specific goals, objectives and actions to drive transformative change to end systemic racism and violence against Indigenous women, girls, and 2SLGBTQQIA+ people

"Principles of Reconciliation" means the ten Principles of Reconciliation outlined in Winnipeg's Indigenous Accord;

"Small Cell Licence Agreement" means an agreement with a telecommunication provider that enables the deployment of small cell/5G technology at a variety of City-owned properties;

Replace:

"Parkland" means City park property as defined in the Parks By-law No. 85/2009, but includes golf courses.

With:

“Parkland” means a City-owned property used for park or cemetery purposes on the day the Charter came into force or acquired after that date by the City for park or cemetery purposes;

Leasing and Licensing of Property Policy

Replace **3.2.B.**:

B. The Public Service is authorized to pursue a Direct Lease or Direct Licence, but is not obligated to do so, where:

i. Unbuildable Land is Leased or Licensed to an adjacent property owner(s) through a Landscape and Maintenance Agreement;

- The Base Rent of the City Property may be Market Rent, or a lesser amount if the Tenant maintains the City Property (e.g. grass cutting) at their sole cost, which is to the benefit of the City;

ii. The City Property is Leased or Licensed to a government, government agency, or organization established by the City where at least one of following criteria is met:

1. The Lease or Licence aligns with Council direction or a Council mandate;
2. The City Property is required for a capital project; or
3. The Lease or Licence addresses a public need or operational requirement;

iii. The City Property is required for access or parking;

iv. The Licence is an authorized Encroachment;

v. The City Property is Leased or Licensed to a Tenant as part of a condition or settlement from an acquisition of Non-City Property;

vi. The Tenant provides programming or a service in lieu of the City;

vii. The Lease or Licence meets the definition of an Economic Development Transaction; or

viii. The Lease or Licence addresses a specific recommendation or goal within the City’s Climate Action Plan.

With:

B. The Public Service is authorized to pursue a Direct Lease or Direct Licence, but is not obligated to do so, where:

i. Unbuildable Land is Leased or Licensed to an adjacent property owner(s) through a Landscape and Maintenance Agreement;

- The Base Rent of the City Property may be Market Rent, or a lesser amount if the Tenant maintains the City Property (e.g. grass cutting) at their sole cost, which is to the benefit of the City;

ii. The City Property is Leased or Licensed to a government, government agency, or organization established by the City where at least one of following criteria is met:

4. The Lease or Licence aligns with Council direction or a Council mandate;
5. The City Property is required for a capital project; or
6. The Lease or Licence addresses a public need or operational requirement;

iii. The City Property is required for access or parking;

iv. The Licence is an authorized Encroachment;

v. The City Property is Leased or Licensed to a Tenant as part of a condition or settlement from an acquisition of Non-City Property;

vi. The Tenant provides programming or a service in lieu of the City;

vii. The Lease or Licence meets the definition of an Economic Development Transaction; or

viii. The Lease or Licence addresses a specific recommendation or goal within the City's Climate Action Plan;

ix. ***The Lease or Licence facilitates one of the Principles of Reconciliation, one of the Calls to Action, an objective or goal of the National Action Plan, or one of the Calls for Justice;***

x. The Lease or Licence is with a telecommunication provider.

Replace **3.4.C.**:

C. Where a City department, utility or Special Operating Agency does not have a site-specific Lease or Licence requirement, the City will issue a Request for Proposal or Expression of Interest in accordance with administrative standards, except for the following situations where a Direct Lease is recommended:

i. Winnipeg Police Services requires confidentiality in order to ensure the safety of their staff;
ii. The space requirement is less than 5,000 square feet and a market analysis is performed with a minimum of three comparative properties

With

C. Where a City department, utility or Special Operating Agency does not have a site-specific Lease or Licence requirement, the City will issue a Request for Proposal or Expression of Interest in accordance with administrative standards, except for the following situations where a Direct Lease ***or Licence*** is recommended:

i. Winnipeg Police Services requires confidentiality in order to ensure the safety of their staff;
ii. The space requirement is less than 5,000 square feet and a market analysis is performed with a minimum of three comparative properties
iii. ***There is an existing Lease or Licence for the site and the Director of Assets and Project Management has determined it would be in the best interests of the City to remain at that site.***

Responsibilities

Replace **4.2**:

A. Approve all Municipal Accommodations Leases or Municipal Accommodations Licences where:

i. the combined Base Rent value, proportionate Operating Costs and Tenant Improvements are $2,000,000.00 or less; and

ii. the term of the Municipal Accommodations Lease or Municipal Accommodations Licence is 10 years or less, with up to one option to renew for an additional term of 5 years or less.

B. Discharge, amend or register caveats on a certificate of title that relate to a Municipal Accommodations Lease.

C. Negotiate and approve the terms and conditions of all agreements with respect to leasing or licensing, including but not limited to the following agreements and documents:

i. Offer to Lease
ii. License
iii. Enter to Construct
iv. Amending
v. Confidentiality
vi. Estoppel Certificate
vii. Letter of Intent
viii. Memorandum of Understanding

With

A. Approve all Municipal Accommodations Leases or Municipal Accommodations Licences where:

i. the combined Base Rent value, proportionate Operating Costs and Tenant Improvements are $2,000,000.00 or less ***for the initial term;*** and

ii. the term of the Municipal Accommodations Lease or Municipal Accommodations Licence***, including renewals,*** is ***15*** years or less.

B. Discharge, amend or register caveats on a certificate of title that relate to a Municipal Accommodations Lease.

C. Negotiate and approve the terms and conditions of all agreements with respect to leasing or licensing, including but not limited to the following agreements and documents:

i. Offer to Lease
ii. License
iii. Enter to Construct
iv. Amending
v. Confidentiality
vi. Estoppel Certificate
vii. Letter of Intent
viii. Memorandum of Understanding
x. ***Ancillary Agreements or such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City***

Replace **4.3**:

A. Subject to Section 4.5(A), approve all Property Management Leases, Property Management Licences, and settlement claims with a combined Base Rent value, proportionate Operating Costs and Tenant Improvements exceeding $300,000.00 up to and including $700,000.00, where:

i. Base Rent is at least 80% of the Market Rent; and

ii. the initial term of the Lease or Licence is five years or less, with up to one option to renew for an additional term of five years or less.

With

A. Subject to Section 4.5(A), approve all Property Management Leases, Property Management Licences, and settlement claims with a combined Base Rent value, proportionate Operating Costs and Tenant Improvements exceeding $300,000.00 up to and including $700,000.00, where:

i. Base Rent is at least 80% of the Market Rent; and

ii. the initial term of the Lease or Licence is five years or less, with up to one option to renew for an additional term of five years or less.

B. Negotiate and approve all Small Cell Licence Agreements, up to 15 years (inclusive of renewals).

Replace **4.4.A.**:

A. Subject to Section 4.5(A), approve all Property Management Leases, Property Management Licenses, and settlement claims exceeding $700,000.00.

With

A. Subject to Section ***4.2(D) and*** 4.5(A), approve all Property Management Leases, Property Management Licenses, and settlement claims exceeding $700,000.00.

Replace **4.5.B.**:

B. Approve all Municipal Accommodations Leases or Municipal Accommodations Licences in excess of 10 years (not including renewals) or $2,000,000.00 in combined Base Rent, proportionate Operating Costs and Tenant Improvements.

With

B. Approve all Municipal Accommodations Leases or Municipal Accommodations Licences in excess of:

i. 15 years (inclusive of renewals); or

ii. $2,000,000.00 in combined Base Rent, proportionate Operating Costs and Tenant Improvements for the initial term.