Proposal to Lease Additional Land at the Pan Am Pool to the Winnipeg Regional Health Authority

File FI-2.2(32) (Vol. 8)

16. The Standing Policy Committee on Property and Development has been advised that the Planning, Property and Development Department has received a request from the Winnipeg Regional Health Authority to lease additional land to enable an expansion of the existing Pan Am Clinic. As the subject property is utilized for parks purposes, the proposed lease will require the approval of at least two-thirds of the members of Council.

The City entered into a lease agreement with Olympus Enterprises Ltd. on April 17, 1984, for the use of portion of the Pan Am Pool Site for Sports Medical Clinic purposes. By a Council approved Amending Agreement dated October 2, 2000, the City extended the term of the Principal Lease to April 30, 2060.

The City subsequently entered into a separate lease with Poseidon Enterprises Ltd. on October 2, 2000, for the use of an additional portion of the Pan Am Pool Site for the provision of parking for the Sports Medical Clinic.

The City subsequently consented to an Assignment of the Lease Agreements from Poseidon Enterprises Ltd. to the Winnipeg Regional Health Authority by Agreement dated September 1, 2001.

On October 2, 2001, the Poseidon Enterprises Ltd. requested the use of additional City-owned land at the Pan Am Pool Site. This proposed lease area is shown as “Additional Lease Area No.2” on Misc. Plan No 5627/ 3, and will, if approved effectively consolidate the various leased areas enabling the construction of an addition to the existing clinic.

On November 27, 2001, the Planning, Property and Development Department circulated the request to all Civic Departments. No concerns or objections were received; however, the Public Works Department indicated that no windows should be installed on the east wall of any building given its proximity to a foul ball line on City-owned lands to the east.

The subject proposal was circulated to the City Centre Community Committee for review and comment. On May 7, 2002, the Community Committee considered the subject proposal and determined that it had no objections. .

On April 22, 2002, the Real Estate Division of the Planning, Property and Development Department presented the proposed particulars of lease to the Winnipeg Regional Health Authority. On May 13, 2002, the Winnipeg Regional Health Authority confirmed acceptance of the proposed terms of lease.

1. Principle Lease Agreement - Pan Am Pool Site

By lease agreement dated April 17, 1984, the City entered into a lease with Olympus Enterprises Ltd. for the use of a portion of the Pan Am Pool site shown as “existing lease” on Misc. Plan No. 5627/3 for the development of a Sports Medicine Clinic Building. The particulars of the principal lease agreement are as follows:

Site Identification:	Shown as "Existing Lease" on Misc. Plan No 5627/3
Lessee:	Olympus Enterprises Ltd (assigned to Poseidon Enterprises Ltd. and then to Winnipeg Regional Health Authority)
Term:	Commenced May 1, 1984 and extended to April 30, 2060
Rent Review:	Every five years
Zoning:	"PR1" Parks and Recreation District
Size:	18,000 square feet
Base Rental:	$12,500.00 per year based on a 10% return to appraised market value, plus applicable GST.
Added Rent:	Realty taxes, plus applicable GST.
Commencement:	May 1, 1984

2. Additional Land Lease - Pan Am Pool Site

By lease agreement dated October 2, 2000, the City entered into a lease with Poseidon Enterprises Ltd. for the use of an additional portion of the Pan Am Pool site for vehicle parking purposes. The particulars of the additional ground lease are as follows:

Site Identification:	Shown as "Additional Lease Area" on Misc. Plan No. 5627/3
Lessee:	Poseidon Enterprises Ltd. (assigned to Winnipeg Regional Health Authority)
Term:	34 years four months (Options to renew through April 30, 2060)
Renewal:	Four 5-year renewals plus one 6-year renewal to coincide with principle lease expiring April 30, 2060.
Rent Review:	Every five years
Zoning:	"PR1" Parks and Recreation District
Size:	18,040 square feet
Rental:	$10,824.00 per year based on a 10% return to appraised market value, plus applicable GST
Added Rent:	Realty taxes, plus applicable GST
Commencement:	January 1, 2000

3. Request for Additional Land - Area No. 2 - Pan Am Pool Site

In the fall of 2001, the Pan Am Clinic indicated that it was proceeding with an expansion of the existing Clinic building. In order to facilitate the layout of the Clinic expansion (building), it requires some additional City-owned land lying immediately to the south of the principal lease area. The particulars of the request for the additional ground lease area are as follows:

Site Identification:	Shown as "Additional Area No. 2" on Misc. Plan No. 5627/3
Lessee:	Winnipeg Regional Health Authority
Term:	Thirty-one (31) years, 10 months (to expire on April 30, 2034)
Renewal:	Four 5-year renewals plus one 6-year renewal to coincide with principle lease expiring April 30, 2060
Rent Review:	Every five years
Zoning:	"PR1" Parks and Recreation District
Size:	3,120 square feet
Rental:	$2,165.28 per year based on a 10% return to appraised market value, plus applicable GST
Added Rent:	Realty taxes, plus applicable GST
Commencement:	July 1, 2002
Other:	These terms will be an amendment to the Principal Lease Agreement.

The Planning, Property and Development Department advised that given the following facts:

- that the subject proposal has no major impacts upon the Pan Am Pool parking lot;
- that no corporate objections were expressed on the proposal;
- that the City Centre Community Committee has no objections;
- that it will facilitate the Lessee's proposed expansion; and,
- that the subject proposal will expand the realty tax base,

it recommended that the proposal to lease additional land be approved.

Pursuant to Section 156(2) of The City of Winnipeg Act, all leases of property designated or acquired for park purposes requires approval of at least two-thirds majority of the Members of Council.

The Standing Policy Committee on Property and Development recommends:

I. That the proposal to lease additional land at the Pan Am Pool site to the Winnipeg Regional Health Authority be approved in accordance with the terms as negotiated.

II. That the Principal Lease Agreement dated April 17, 1984, be amended to include the additional land.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.