Minutes – Council – May 22, 2025

Minute No. 295
Report – Standing Policy Committee on Property and Development – May 8, 2025

Item No. 2 Expression of Interest No. 392–2024 and Associated Lease at 2305 McPhillips St. – Garden City Shopping Centre (Old Kildonan Ward)

COUNCIL DECISION:

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

1. That the proposed terms and conditions for a new Lease Agreement, attached hereto as Schedule A between the City of Winnipeg and Garden City (Wpg) Limited Partnership by its General Partner, Garden City (Wpg) GP Inc.), at Unit 303 - 2305 McPhillips St. and commonly known as Garden City Shopping Centre, be approved.

2. That the City enter into, execute and deliver a Lease Agreement with Garden City (Wpg) GP Inc., 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").

3. That the authority be delegated to the Director of Assets and Project Management to negotiate and approve the terms and conditions of the 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 interests of the City.

4. 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 – May 8, 2025

DECISION MAKING HISTORY:

Moved by Councillor Duncan,

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

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 13, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On May 8, 2025, 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.

Dora Rosenbaum submitted a communication in opposition to the matter.

ADMINISTRATIVE REPORT

Title: Expression of Interest No. 392–2024 and Associated Lease at 2305 McPhillips St. – Garden City Shopping Centre

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

On July 10, 2024, the Public Service issued Expression of Interest (EOI) 392-2024 for the submission of proposals from private owners detailing their options for suitable leased facilities for a new Northwest Library. The EOI closed on August 30, 2024, and one proposal was received.

Pursuant to the EOI process, the Public Service recommends a lease with Garden City (Wpg) Limited Partnership by its General Partner, Garden City (Wpg) GP Inc., who was the successful bidder. The proposed lease is for approximately 14,490 square feet of space within the Garden City Shopping Centre, located at 2305 McPhillips, (identified as “Lease Area” on Misc. Plan No. 15520/2, attached as Schedule B to this report). The annual rent will be $210,105.00 for years 1 - 5; $224,595.00 for years 6 - 10, and $231,840.00 for years 11 - 15, plus applicable GST and operating costs, (estimated at $205,468.20 for 2024). The City would also be committed to a one-time contribution of up to $2,400,000 towards leasehold improvements, as offered in the EOI.

The Government of Manitoba has allocated $2.5 million for the development of this project which will contribute to funding of facility improvements associated with the subject lease agreement.

RECOMMENDATIONS

1. That the proposed terms and conditions for a new Lease Agreement, attached hereto as Schedule A between the City of Winnipeg and Garden City (Wpg) Limited Partnership by its General Partner, Garden City (Wpg) GP Inc.), at Unit 303 - 2305 McPhillips St. and commonly known as Garden City Shopping Centre, be approved.

2. That the City enter into, execute and deliver a Lease Agreement with Garden City (Wpg) GP Inc., 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”).

3. That the authority be delegated to the Director of Assets and Project Management to negotiate and approve the terms and conditions of the 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 interests of the City.

4. 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

Based on the results of EOI 392-2024, the Public Service has negotiated proposed terms and conditions for a Lease Agreement, as set out in the attached Schedule A, for the use of Unit 303-2305 McPhillips St. for a new Northwest library. The total lease commitment over the initial 15-year term is $3,332,700.00 plus operating costs, (estimated at $205,468.20 per annum), as well as a one-time leasehold improvement contribution of up to $2,400,000.00.

As per the City’s Leasing and Licensing of Property Policy (PD-028), Council approval is required for leases in excess of 15 years, or $2,000,000.00 in combined Base Rent, proportionate Operating Costs and Tenant Improvements.

IMPLICATIONS OF THE RECOMMENDATIONS

If approved, this lease will enable the opening of a new Northwest Library. Garden City (Wpg) GP Inc. will provide a turnkey facility, with the landlord investing up to $1,879,130.00 to satisfy the Library’s Program of Requirements.

The proposed lease terms and conditions, if approved, will commit the City to:

a. An initial term of 15 years, with an option to renew for up to an additional four, five year terms, for a total of 35 years;
b. Annual rent of $210,105.00 for years 1 - 5; $224,595.00 for years 6 - 10, and $231,840.00 for years 11 - 15, plus applicable GST and operating costs (estimated at $205,468.20 for 2024); and
c. Contribution of a one-time, upfront payment of up to $2,400,000.00 towards leasehold improvements.

If the report recommendations are approved, the Public Service will oversee and collaborate with the Proponent to ensure the project adheres to the City’s timelines, budget and design standards.

There are no environmental, regulatory, operational, human resource or other implications of this report.

HISTORY/DISCUSSION

On March 20, 2024, Council adopted the 2024 Capital Budget, which included $4.713 million for a New Northwest Library to satisfy the growing needs of the community in that area of the city.

In May of 2024, the Library Services Division, Community Services Department, requested the Municipal Accommodations Division review accommodations that would satisfy a library facility in a high-visibility and readily accessible location, within the northwest area of the city. It was subsequently determined there were no municipally-owned accommodations within the Old Kildonan or Mynarsky wards that met the Library's Program of Requirements (See Appendix A for list of Vacant City-owned properties). Therefore, in accordance with the City's *Real Estate Transaction Management Framework*, the Public Service conducted a market survey of comparable lease properties, with only a limited number identified. As such, to generate the most options, it was determined an Expression of Interest (EOI) would be prepared for issuance.

On July 10, 2024, the Public Service issued EOI #392-2024 to solicit proposals from private building/land owners detailing their options for suitable facilities for a new Northwest Library. The EOI closed on August 30, 2024, and only one proposal was received which was deemed to meet the City's program of requirements. The Public Service proceeded to negotiate proposed lease terms and conditions with the Proponent, which was acceptable to the City's Purchasing Division.

The recommended proposal from Garden City (Wpg) GP Inc., includes renovating 14,490 sq. ft. within the Garden City Shopping Centre, located at 2305 McPhillips St. It satisfies all program requirements of the library, including a design that would allow for a safe and easy pedestrian connection to public sidewalks, public transit and other services and amenities (see proposed 'Landlords Work' attached herein as Schedule C). The proposed occupancy date is currently tentatively forecasted for Fall 2026 and is subject to the completion of renovations within the proposed lease space.

The proposed lease includes a total rental space of 14,490 square feet with an option to either provide an indoor 'storywalk' within the mall, or an outdoor reading garden area, depending on which option is most viable for an initial term of 15 years, and an option to renew for up to four additional five-year terms. The proposed lease also takes into consideration the City's initial contribution of up to a maximum of $2,400,000.00 for leasehold improvements (as provided in the EOI), in addition to the lease rates below:

i. Year 1 to 5: $14.50 psf / $17,508.75 per month/ $210,105.00 per annum plus GST;
ii. Year 6 to 10: $15.50 psf / $18,716.25 per month/ $224,595.00 per annum plus GST and;
iii. Year 11 to 15: $16.00 psf / $19,320.00 per month/ $231,840.00 per annum plus GST.

In addition to the above base lease rates, the City will be responsible for its proportionate share of operating costs and any applicable realty or property taxes. The 2024 estimate for these is $4.68/sf for property taxes, $8.92/sf for operating costs and $0.58/sq. ft. for garbage removal, for an estimated per annum cost of $205,468.20.

An external appraisal was conducted to determine an independent estimated market rent of the Proposed Lease Area, based on a turnkey space that meets the requirements of the EOI. The

appraisal indicated a rental value of between $18.00 - $20.00 per square foot, (i.e., between $260,820.00 and $289,800.00 per annum) plus operating costs as reasonable. The proposed rental rates of the recommended lease are below these estimates, indicating reasonable value-for-money for the City. Furthermore, when comparing the proposed lease rates for this location to other leased libraries of similar size and construction, rates appear reasonable ($14.75 - $17.75 per square foot).

In 2022, respecting new northwest library development options, the Municipal Accommodations Division concluded that both (1) new construction and (2) existing facility (civic owned or available for acquisition) refurbishment/renovation development options represented cost prohibitive and/or unviable development options associated with then prevailing market conditions/opportunities and associated development risks. It is the opinion of the Public Service that current prevailing market conditions have not improved such that either new construction nor existing facility refurbishment/renovation presently represent prudent investment/asset management development options. As such, the Public Service continues to support the recommendation to pursue a leased option.

Previous consideration for leasing library space at this site in 2022 raised concerns over pedestrian safety, access to natural light in an “interior” unit, and ability for patrons to access the Library as a ‘Safe Space’. To address this, a protected pedestrian walkway is being discussed with the Proponent; 180 feet of glazed wall along the interior mall corridor will bring some natural light into the space; and Mall Management has confirmed patrons will be permitted access to the library regardless of their status with Mall Security.

The Government of Manitoba has allocated $2.5 million for the development of this project which will contribute to funding of facility improvements associated with the subject lease agreement.

The Library Services Division, Community Services Department, is in support of the proposed location of the new library and has no issues with the proposed terms and conditions.

The Public Service recommends entering into a lease with Garden City (Wpg) GP Inc., subject to the draft terms and conditions outlined in Schedule A. If approved, the Public Service will negotiate a Lease Agreement that embodies the recommended proposal.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 24, 2025

Project Name:

First Year of Program **2026**

Expression of Interest No. 392-2024 and Associated Lease at 2305 McPhillips Street – Garden City Shopping Centre

	2026	2027	2028	2029	2030 to 2040
Capital					
Capital Expenditures Required	$ 2,400,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	2,400,000	-	-	-	-
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	$ 141,000	$ 425,000	$ 429,000	$ 434,000	$ 5,466,000
Less: Incremental Revenue/Recovery	75,000	-	-	-	-
Net Cost/(Benefit)	$ 66,000	$ 425,000	$ 429,000	$ 434,000	$ 5,466,000
Less: Existing Budget Amounts	66,000	425,000	429,000	434,000	5,466,000
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures consist of the City's maximum share of "Improvement Costs" inclusive of Corporate Admin ($29K) and Municipal Accommodations project managment ($46K) overheads. These amounts are offset by equal recoveries in the current budgets of the Corporate Finance Department and Municipal Accommodations Division respectively. For the purposes of this analysis, capital funding is assumed to be 100% provincial funding (i.e. no short-term fnancing charges overhead). Direct costs consist of base + additional rent assumed to be effective Sep. 1, 2026 through to the end of the lease term on Aug. 31, 2040.

Mike McGinn March 24, 2025

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services Department (as to legal issues)
- Risk Management, Corporate Finance Department (as to insurance requirements)
- Community Services Department

OURWINNIPEG POLICY ALIGNMENT

Goal: **Leadership and Good Governance**
Objective: Achieve community-responsive service delivery through an aligned, integrated, collaborative and results-oriented organizational culture

Policy: 1.15 **Community Capacity Building**
Partner with community organizations and Indigenous governments to enable community development, leadership and empowerment opportunities, by leveraging municipal programming and service resources including recreation, libraries and the arts, in particular for systemically disadvantaged groups and for those living in areas of highest need.

Goal: **Economic Prosperity**
Objective: Make strategic use of community and regional assets to optimize local economic competitiveness

Policy: 3.19 **Community Capacity Building**
Partner in providing life-long literacy opportunities through municipal facilities and programs including libraries and access to official languages, to advance learning, skills development and self-sufficiency, especially for people who face barriers to economic opportunity

Goal: **Social Equity**
Objective: Build social cohesion through community development solutions, coordinated, effective partnerships, and responsive service delivery.

Policy: 5.1 **Equitable Service Access**
Provide municipal services through an age-friendly lens that promotes equitable access for all, with a focus on the youngest, oldest, and systemically disadvantaged members of the community.

Policy: 5.7 **Community Cohesion**
Promote opportunities for life-long learning and cross-cultural, inter-generational relationship-building, as a means of preventing social isolation, discrimination and racism.

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

Policy 6.29 New Communities

Plan New Communities to identify and include a defined level of service for public infrastructure and resource requirements, or approved alternative, to achieve complete communities, including an integrated and sustainable transportation system, recreation, parks, libraries, emergency services, and digital communications technology.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan Alignment, and it was determined that this section is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Assets and Project Management
Division: Municipal Accommodations
Prepared by: Charles Osondu, Senior Leasing Officer
Date: March 27, 2025
File No: MA2025-038

Attachments: Schedule A – Proposed Terms and Conditions
Schedule B – Misc. Plan No. Misc. 15520/2
Schedule C – Landlord's Work and Tenant's Work
Schedule D – Vacant Civic Portfolio

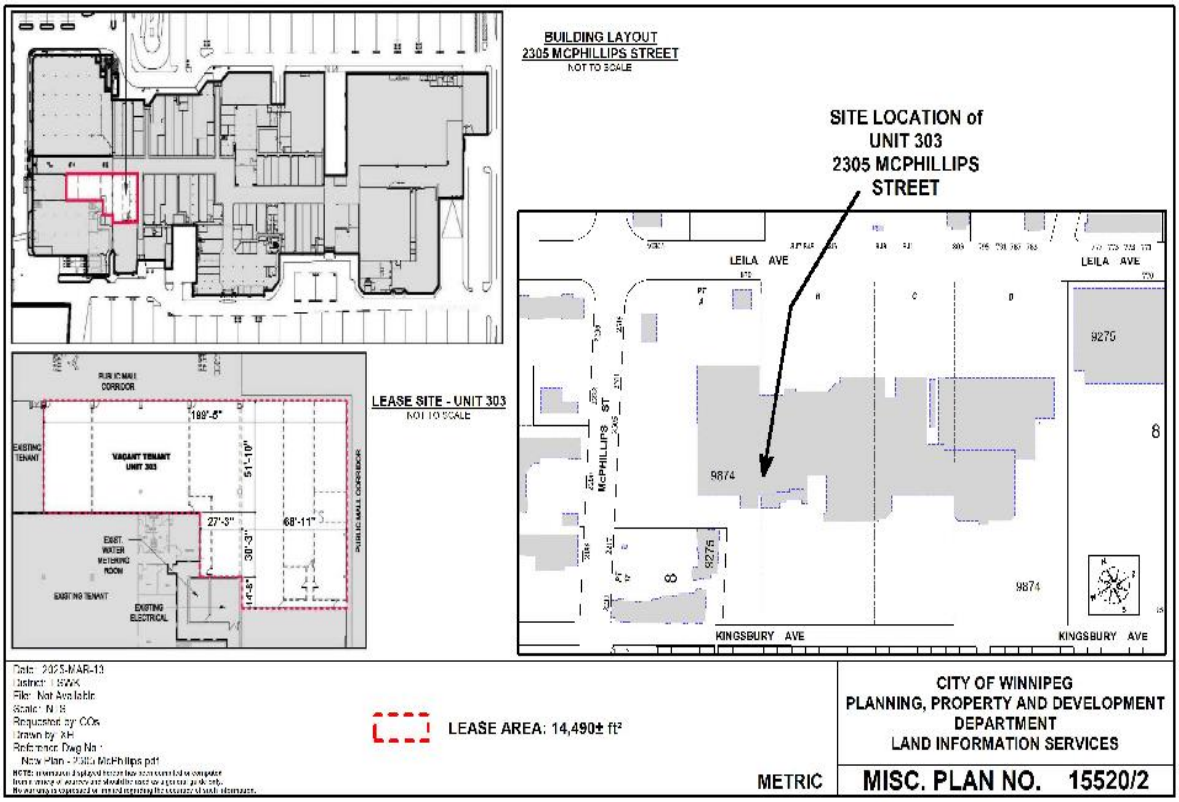
SCHEDULE A

Lease – Unit 303 – 2305 McPhillips St.

Lessor	Garden City (Wpg) Limited Partnership by its General Partner, Garden City (Wpg) GP Inc.
Lessee	City of Winnipeg ("City")
Term	Fifteen (15) Year Term
Option to Renew	Four (4), Five (5) year at a rent to be determined at market rate.
Leased Area	14,490 square feet
Fixturing Period	Ninety (90) days
Commencement Date	Earlier of the end of the Fixturing Period or the City's opening date for business
Base Rent Amount	i. Year 1 to 5: $14.50 psf / $17,508.75 per month/ $210,105.00 per annum plus GST; ii. Year 6 to 10: $15.50 psf / $18,716.25 per month/ $224,595.00 per annum plus GST and; iii. Year 11 to 15: $16.00 psf / $19,320.00 per month/ $231,840.00 per annum plus GST
Additional Rent	Operating Costs: $8.92 psf / $ 129,250.80 per annum (est. for 2024) Garbage Costs: $0.58 psf / $8,404.20 per annum (est. for 2024) Property Taxes (*if applicable*): $4.68 psf / $67,813.20 per annum (est. for 2024)
Utilities	City's Responsibility

Insurance Requirements:	The Tenant shall throughout the Term, at its own cost and expense, take out and keep in full force and effect, the following insurance: All-risks (including flood and earthquake) insurance upon property of every description and kind owned by the Tenant or for which the Tenant is legally liable (including, without limitation, signs, and plate glass) and which is located within the Shopping Centre in an amount of not less than ninety percent (90%) of the full replacement cost thereof; broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in the amount of not less than the replacement cost of all Leasehold Improvements and of all boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Leased Premises; public liability and property damage insurance including personal injury liability, bodily injury liability, tenant legal liability, contractual liability, and owners' protective insurance coverage with respect to the Leased Premises and the Tenant's use of the Common Areas. Such policies shall be written on a comprehensive basis within inclusive limits of not less than Five Million Dollars ($5,000,000) or such higher limits as the Landlord or the Mortgagee may reasonably require from time to time: as long as such limits are discussed with the Tenant; any other form of insurance as the Tenant or the Landlord or the Mortgagee may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent tenant would insure.
Landlord's Responsibility	Landlord will construct a turnkey premise as outlined in EOI – 392-2024 and the Program of Requirements.
Improvement Costs	**Landlord Contribution:** $1,879,130.00 **City's Contribution:** $2,400,000.00 Parking: Landlord to provide up to 40 public parking including 5 dedicated staff parking and a minimum of two (2) designated parking stalls for persons with disabilities. Signage: Landlord will work with the City to provide maximum exposure and identification of the library.

SCHEDULE B


BUILDING LAYOUT
2305 MCPHILLIPS STREET
NOT TO SCALE
SITE LOCATION of
UNIT 303
2305 MCPHILLIPS
STREET
LEILA AVE
LEILA AVE
MCPHILLIPS ST
KINGSBURY AVE
KINGSBURY AVE
9275
9874
9276
LEASE SITE - UNIT 303
NOT TO SCALE
VACANT TENANT
UNIT 303
EXISTING TENANT
EXIST. WATER METERING ROOM
EXISTING ELECTRICAL
199'-5"
51'-10"
27'-5"
68'-11"
30'-3"
14'-5"
LEASE AREA: 14,490± ft²
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT
DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 15520/2

SCHEDULE C

LANDLORD'S AND TENANT'S WORK

CONSTRUCTION OF LEASED PREMISES

Landlord's Obligation

The Landlord will design and construct the Leased Premises in accordance with plans and specifications prepared by the Landlord or the Architect, incorporating in such construction all items of work described as Landlord's Work herein. The Landlord's Work outlined in this Schedule C shall use Expression of Interest – *EOI 392 - 2024 Lease Accommodation for Northwest Library* (the "**EOI**") as a guide. The currently estimated cost of the Landlord's Work is **Four Million, Two Hundred and Seventy Nine Thousand One Hundred and Thirty Dollars ($4,279,130.00)** (the "**Landlord's Estimated Construction Costs**"), which amount includes, without limitation, all designer, architectural, engineering, accessibility consultant, public engagement consultant, and contractors' fees, project management fees, consultants' fees, drawings, materials, labour, interior furnishings, fixtures, equipment, interior and exterior signage, public engagement consultant (which is more particularly described on Schedule B attached to the September 13th, 2004 File # L-221 letter from the City of Winnipeg), and interior furnishings and equipment, incurred to build the turn-key library as contemplated herein. The Landlord shall undertake and complete the Landlord's Work (i) at a cost to the Landlord not to exceed the sum of **Four Million, Two Hundred and Seventy Nine Thousand One Hundred and Thirty Dollars ($4,279, 130.00)** (the "**Landlord's Cost Cap**"); and (ii) at a cost to the Tenant equal to Two Million and Four Hundred Thousand Dollars ($2,400,000.00) plus costs incurred by the Landlord in excess of the Landlord's Cost Cap (the "**Tenant's Contract Fee**") to be applied in partial reimbursement to the Landlord of the costs incurred by the Landlord pursuant to and in compliance with Schedule "C" hereof of constructing the Leased Premises.

It is understood and agreed that in the event that any of the provisions of this Schedule C shall be inconsistent or contrary to the provisions of the EOI, the provisions in this Schedule "C" shall be deemed to govern to the extent of said inconsistency or contradiction. Any equipment or work other than those items specifically enumerated as Landlord's Work which the Landlord installs or constructs in the Leased Premises on the Tenant's behalf shall be paid for by the Tenant as Additional Rent within fifteen (15) days after receipt of a bill therefore, at cost plus fifteen percent (15%) for overhead and supervision. However, such equipment or work other than those items specifically enumerated as Landlord's Work shall not be installed or constructed in the Leased Premises on the Tenant's behalf unless requested or authorized by the Tenant.

In the event that the Landlord incurs any additional costs or expenses as a result of: (i) the act or omission of the Tenant, or those for whom the Tenant is in law responsible (including without limitation, Tenant's contractors, architect, engineers, suppliers and consultants); or (ii) any breach by the Tenant or by those for whom the Tenant is in law responsible of any of their obligations hereunder, including without limitation, any unreasonable delay of the Tenant or those for whom it is in law responsible in performing any of their obligations hereunder; then all such costs and expenses incurred by the Landlord in respect thereof, whether in relation to the Leased Premises or in respect of other work that the Landlord is doing in connection with the Shopping Centre and howsoever arising, and whether such costs or expenses are direct or indirect (including without limitation costs in the nature of losses, claims, damages, liabilities or injuries), shall be payable forthwith by the Tenant to the Landlord as Additional Rent within fifteen (15) days of receipt of an invoice therefor, and whether incurred before or after the Commencement Date, and the Landlord shall be entitled to all rights and remedies in respect of such Additional Rent as otherwise provided for in this Lease.

Tenant's Obligation

The Tenant shall at its cost and expense complete or cause the completion of all items of work

described as Tenant's Work herein prior to the Commencement Date in accordance with the plans and specifications which have been submitted to and approved in advance in writing by the Landlord. All work performed by the Tenant with respect to the Leased Premises shall:

be commenced only after the Tenant has delivered to the Landlord evidence satisfactory to the Landlord that it has obtained all required permits for all of the Tenant's Work or satisfied the Landlord that such permits are not required;

be done in accordance with the design criteria set down by the Landlord or its authorized representatives with respect to the external and internal appearance of the Leased Premises;

be done as expeditiously as reasonably possible;

be done in such manner as will not interfere unreasonably with work being done by the Landlord upon the Leased Premises or any other portion of the Shopping Centre;

be done in compliance with such reasonable rules and regulations as the Landlord or its agents or contractors may make;

be carried out by competent workers under the supervision of one or more professional contractor(s) and designer(s), who shall be subject to prior written approval of the Landlord (such approval not to be unreasonably withheld or delayed), and be subject to the reasonable supervision of the Landlord or its agents or contractors;

be done only by persons whose labour union affiliations are acceptable to the unions of which the employees of the Landlord, its contractors or subcontractors are members;

be commenced only after the Tenant has delivered to the Landlord a certificate of general liability insurance from its general contractor (or from the Tenant if it is acting as its own contractor) as contemplated in Paragraph A below;

be done at the risk of the Tenant; and

to the extent it comprises Leasehold Improvements, become upon affixation and remain at all times the sole property of the Landlord.

LANDLORD'S WORK

Landlord's Work (to be performed by Landlord at its cost) shall consist of providing a fully fit out tenant space as indicated on the EOI, as a guide, including:

Design:

Professional design team services with local representation are to be provided by the Landlord to ensure all requirements stipulated in Appendix A of the EOI are met where reasonably possible, including the latest edition of the City of Winnipeg Accessibility Design Standards.

Demolition:

Perform all demolition and disposal of existing walls, floors, finishes, mechanical and electrical equipment within proposed space(s) to prepare for new interior fit out work as per Tenants requirements. All existing floor areas to be ground down to remove all old finishes and adhesives from previous tenants.

HVAC System:

Tenant to provide supplementary heat, exhausting, cooling or make-up air, if required. (Landlord may provide shared HVAC system and controls).

Landlord to provide all new gas fired heating and cooling units with power wiring connected to tenant's panel or switch if applicable.

Landlord's standard low or line voltage thermostat complete with control wiring to be provided.

All new supply and return ducts complete with all branch distribution through the space in location determined by Landlord. Size of HVAC units to be based on 1 ton of cooling per 350 sq. ft. of Leased Premises. Approximately 43 Tonnes proposed for new space. New RTUs shall provide sufficient fresh air to meet ASHRAE 62.1 standard. Min. filter MERV13. If required, electric perimeter heaters shall be installed. Building temperature and humidity shall meet ASHRAE standard. Building exhaust air system/relief air shall be provided. HVAC system shall be balanced.

Landlord to provide new gas meter and all adjustments to existing gas line piping as required.

Landlord to remove and infill all old roof penetrations.

Landlord to provide structural reinforcement to all new roof openings as required.

Landlord to provide fresh air and exhaust for the Multi-Purpose Program Room to support smudging ceremonies, if approved by the municipality.

Electrical Service:

600A/600V 3 phase, 4 wire electrical service terminating in Tenant's premises at a disconnect switch.

Provide all new electrical power distribution and wiring within new conduits throughout tenant premises to meet room/space requirements of Tenant's Expression of Interest.

Power to be provided to all new RTU units fed to disconnect switch as required for future maintenance.

Provide all new energy efficient, LEED compatible lighting throughout tenant premises c/w controls and motion sensing equipment to meet room/space requirements of Tenant's Expression of Interest.

Provide new Data/IT and internet service cabling, racking and equipment complete for tenant future use as per room/space requirements of Tenant's Expression of Interest.

Provide all new power outlets within tenant premises as required per tenant selected.

Provide all new emergency assistance washroom system c/w equipment, emergency lighting, wiring and testing.

Provide new security, CCTV system, cameras, and card reader system wiring and equipment complete for tenant future use connected to City of Winnipeg, Central Controls for monitoring/communication. (BAS- Metasys, Card Access-Pegasys). Final design and specifications must be approved by City of Winnipeg Municipal Accommodations staff and Library staff.

Milestone People counting equipment at entrances c/w all required electrical connection and hookup. (People counter equipment for contractor installation to be provided by tenant.)

Two new 1” conduit to be provided for new telephone services within space, terminated at location determined by Tenant.

Provide motion sensor door openers where required.

Provide power operated door openers where required.

Provide fire detection and fire alarm monitoring system.

Power to be provided to new exterior signage, and storefront signage, including switch to turn store front sign ‘ON-OFF’.

Fire Exit:

Painted exit doors complete with frame, door security and all associated hardware to be provided at all locations within premises as required by code.

Drywall Demising Walls:

All new walls, ceilings, bulkheads, suspended ceilings, t-bar ceilings to be provided to meet room/space requirements of EOI.

All new interior walls constructed to underside of roof deck (as directed by tenant drawings) and fire rated as required by code requirements.

All drywall partitions to be taped and sanded and prepared for paint finishes.

All new interior doors (with sidelites as required), frames, door hardware and door security to be provided to meet room/space requirements of EOI.

Paint:

Provide all prime, and finish painting of interior walls and ceilings within constructed space, as per colors selected by Tenant. Allowance made for priming and 3 coats of paint on walls in all locations

Floor:

Provide new carpet tile flooring with 4” rubber baseboards within all rooms/spaces as required per EOI. Approximately 12,000 SF in total.

Provide new high-quality slip resistant flooring within all rooms/spaces as required per EOI. Approximately 250 SF in total.

Provide new hard surface slip resistant flooring within all rooms/spaces as required per EOI. Approximately 1,750 SF in total.

Provide new porcelain tile for flooring, base and walls within all rooms/spaces as required per EOI. Approximately 1,175 SF in total.

Provide new epoxy painted flooring within all rooms/spaces as required per EOI. Approximately 400 SF in total.

Provide new MDF wood baseboards where applicable within all rooms/spaces as required per

EOI.

Storefront:

New continuous aluminium glazed storefronts at Mall Corridor for 60% of Tenant's new mall corridor walls (approximately 180LF).

New drywall interior walls (within tenant space, and metal panel on exterior mall corridor side of wall (approximately 120LF). Metal panel system to be designed in coordination with tenant for mutually desirable finish to meet Mall standard requirements.

Provide new aluminium glazed sliding doors at entrance to space within new storefront as required, c/w override located within Tenant space and breakout panel.

Mall floor tile to be installed to lease line by Landlord. Tenant to select floor tile for installation by landlord forces between lease line and closure line. Landlord's standard bulkhead installed ready to accommodate new store closure.

Plumbing and Drainage:

Landlord to provide all plumbing rough-ins, piping, drainage, equipment, fixtures and accessories to complete the new kitchen, gender inclusive washrooms and Universal Toilet Room, staff room and staff washroom to meet the requirements of the EOI.

Provide all required new roof jacks for sanitary waste vent and associated venting.

Provide all roof jack for ceiling mounted washroom exhaust and all required fans/exhaust equipment for space per code.winnipeg.ca

Provide 1 ½" valved domestic cold-water connection within tenant premises in a location as determined by Landlord.

Provide two (2) new water fountains and bottle filling stations and all associated water supply piping and drainage as required.

New hot water tank(s) sized for space complete with all required piping and drainage.

New mop sink for janitor's space.

Sprinkler:

Combine all existing zones of spaces to supply building sprinkler system (if required by the Building Code) to provide protection to underside of roof deck.

Provide all required fire extinguishers within space as required.

Other:

Landlord to perform all work to provide all of the following using the EOI as a guide:

Monitors/ TV Supply.

Magnetic Whiteboards.

Lockers - 20 Hadrian half lockers for staff.

Millwork/Storage/Solid Surface Counters etc.

Furniture.

Washroom Partitions and all washroom accessories as required.

Adult Change Station: Pressalit, R8538, Nursing Bench – Adjustable Height with Safety Rail. Electric height adjustable, fold down type, where highest height does not exceed 865mm from the finished floor. Includes wired hand control with flexible hose. Max 200 kg (440 lbs).

One (1) Interactive Literacy playground as required, c/w $2,500.00 allowance for wall decals that read 'Talk, Sing, Read, Write, and Play'. Literacy playground manufacturer is Burgeon Group. Library staff will co-design the playground with Burgeon, Landlord's Contractor is responsible to supply and install.

Shelving/Racking for Books to be Ven Rez Horizon Closed Shelving System or Estey Shelving System.

Corner Guards.

Appliances as required.

Interior window blinds/treatments as designated by Tenant.

PA System: The Work to be done under the Contract shall consist of the design, supply, delivery and installation of a complete Public Address System including but not limited to amplifier(s), speakers, Microphone(s), microphone wall jack, cabling for a public address system at the Northwest Library in accordance with the requirements hereinafter specified.

1.PA CABINET: PA cabinet is optional as there will likely be only 1 amplifier as an alternative amplifier can be placed in the IT rack with standard 19" rackmount rails.

2.PA AMPLIFIERS: PA amplifiers shall be 70v amplifier. Amplifiers shall have at least 8 mic/line inputs and shall be in either 120 or 240w power outputs capable of handling the buildings total speaker output. All amplifiers must be rack mountable. Toa A 912mk2 series or equivalent.

3.TUNER: Tuner is required for the Program Room only for music. AM/FM Digital Tuner rackmount able Denon DT-300H typical or equivalent.

4.MICROPHONE: Paging Microphone shall be a desktop style microphone. Microphone shall be located in Reception desk area with wall jack wired to amplifier. TOA PM-660u or equivalent.

5.SPEAKERS: In ceiling speakers shall be 70v 8-inch cone top hat style speakers with backboxes and with taps in the approx. range of 1/8w to 4w. TOA PC 580RU or equivalent. For areas without drop-down ceiling metal box speakers shall be 70v 8-inch cones with taps in the approx. range of 1/8w to 4w. Bogen MB 8TSQ or equivalent. For areas such as mechanical or electrical rooms or large areas 70v horns shall be used with approx. taps of 2.5w to 15w models should be comparable of superior to TOA CS-154 horns.

Provide, install and connect all required tenant interior and exterior signage.

Exterior parking lot signage.

Exterior covered bike lock posts (up to 10 total).

Exterior and Interior Book Return box. Tenant to work with Landlord for mutually agreeable location within Mall. Product to be Kingsley KwikDrop ThruWall Exterior Return, c/w corresponding Kingsley aluminum alloy cart.

Exterior reading garden / Green space from Garden City entry doors to McPhillips (specific green space designated for the library) or Story Walk inside the mall, subject to municipal approvals.

Easy pedestrian access to public sidewalks and transit service.

Street access and available parking for 40 public vehicles including accessible and 5 staff vehicles (no electrical included).

A Supply and install one safe, secured to the floor. Acceptable product: NL Lock by LpLocks, LLC. – minimum size: 14 inches by 14 inches.

AV System Requirements - Program room should have a projected system dependent on room size with a telescoping wall mount. A powered soundbar should be mounted below the TV and there should be a wall plate with HDMI input connected to an HDMI-Cat 6 extender located in the room which connects to the TV. TV should be LG or Samsung or equivalent.

Payments and Submittals:

The Landlord must comply with current City of Winnipeg General Conditions on Construction Contracts, particularly in relation to payments/submittals. This would include schedule of values, invoices, receipts from the General Contractor and subcontractors. They must be provided as a part of the supporting material required by Corporate Finance for release of payment.

TENANT'S WORK

The Tenant shall perform all construction required to ready the Leased Premises for the conduct of the Tenant's business therein, at its sole cost and expense, and in accordance with the provisions of this Schedule "C", except for any construction or work that is the Landlord's responsibility. The Tenant acknowledges and agrees to incorporate sustainable building design products and practices when completing the Tenant's Work to meet the Landlord's sustainability initiatives and/or in order to satisfy regulatory standards for the Shopping Centre.

OTHER PROVISIONS

Performance of Tenant's Work

The following provisions are in addition to, and do not waive the provisions of any general covenants between the Tenant and the Landlord as may be contained in this Lease:

Before doing any item of Tenant's Work, (i) Tenant shall secure and demonstrate to the Landlord on demand that it has secured all necessary permits which shall, without limitation, include all requisite building permits; (ii) Tenant shall deliver to Landlord a certificate evidencing that it has obtained contractors' general liability insurance in accordance with the Landlord's requirements as in this Lease provided, naming both the Landlord and its property manager as additional named insureds. Upon completion, Tenant shall secure all applicable certificates of completion and occupancy.

All work by the Tenant within the Leased Premises shall be completed in new materials. Materials and workmanship shall be of a uniformly high quality and used and/or performed in accordance with the very best standards of practice and shall not be in contravention of any governing codes or regulations and shall be subject to the approval of the Landlord and/or its Architect.

Any damage to the Leased Premises or the Shopping Centre caused by the Tenant or any of its employees, contractors or workmen shall be repaired forthwith by the Landlord at the expense of the Tenant.

Under no circumstances will the Tenant, its employees, its contractors or its contractors' employees enter onto any roof of the Shopping Centre or make any opening in the roof.

The Tenant and his contractor(s) shall not impose a greater load on any concrete floor than the design live load of 150 pounds per square foot uniformly distributed. No unusual loads may be suspended from the underside of roof structure.

Tenant shall maintain the Leased Premises in a reasonably clean and orderly manner and shall be responsible for the cost of removing from the Shopping Centre all excess materials, trash and cartons resulting from Tenant's Work and stocking of the Leased Premises. Should the Tenant fail to regularly clean up construction material, trash and cartons, the Landlord may remove such materials and charge the costs to the Tenant.

The Tenant shall not allow any construction, builder's or other liens or notices thereof to be placed against the Leased Premises or the Shopping Centre by reason of work, labour, services or materials supplied or claimed to have been supplied to the Tenant. The provisions of Section **Error! Reference source not found.** of this Lease shall apply to any such construction, builder's or other liens or notices thereof.

Exhaust and Odours

Objectionable odours from the Leased Premises shall, at the Tenant's expense, be exhausted in such a manner as precludes their escaping into the Common Areas or other rental areas, or short circuiting into any fresh air vents. The Tenant specifically acknowledges and agrees that it shall be responsible for any costs, expenses or damages suffered or incurred by the Landlord as a result of claims by other tenants of the Shopping Centre relating to objectionable odours or exhaust emanating from the Leased Premises during the completion of the Tenant's Work or otherwise during the Term of the Lease. The Landlord shall be entitled to require the Tenant to suspend the Tenant's Work on twenty-four (24) hours prior written notice in the event that the Tenant fails to comply with its obligations contained herein.

Where Tenant requests a total exhaust rate greater than 200 CFM/bay, the Tenant shall provide a make up air system in accordance with Landlord's specifications, sized in the amount of the excess and shall waive right to demand of the Landlord the ambient design conditions specified in the design package provided to the Tenant by the Landlord, if any.

Tenant's air handling equipment may not under any circumstances draw air from any enclosed mall or exhaust into it.

Garbage refrigeration equipment must be installed in the Leased Premises by the Tenant if perishable items are handled.

Complete Drawings by Tenant (as applicable)

The Tenant shall submit to the Landlord for its approval complete drawings and specifications for the Leased Premises, as applicable, to be prepared by qualified designers and conforming to each of good engineering practice, the outline drawings provided to the Tenant by the Landlord, if any, and the provisions of this Schedule "C". Such complete drawings and specifications shall show at least the store submission requirements set out below.

Store Submission Requirements

The Tenant shall provide complete working plans and specifications in the following form:

Floor plan to scale.

Reflected ceiling plan to scale.

Store front and show window elevation and sections to scale.

Store front and show window details to scale.

Interior elevations to scale.

Interior finishing schedule.

Sign and related lighting and equipment as outlined in Sign Directive.

Any other special facilities or installations that affect the building.

Sprinkler and other fire protection devices.

Underfloor electrical or plumbing.

Electrical wiring plan.

Ductwork for connection to Landlord's air conditioning system, toilet exhaust system and any other ventilation system required by the Tenant.

All required drawings and specifications shall be submitted for approval within a reasonable time and in any event within fifteen (15) days of written request by the Landlord therefor. No Tenant's Work may proceed prior to the Landlord's written approval, which will not be unreasonably withheld nor unduly delayed. In the event that the completion of the Landlord's Work and/or Tenant's Work is delayed as a result of the failure by the Tenant to comply with its obligations contained herein, the Fixturing Period shall be reduced by the length of delay caused or contributed to by the Tenant**.**

ALL TENANT DRAWINGS MUST BE IN ELECTRONIC FORM TO FACILITATE REPRODUCTION BY THE LANDLORD. ALL MECHANICAL DRAWINGS AND SPECIFICATIONS SHALL BE STAMPED BY AN ENGINEER QUALIFIED TO PRACTICE IN THE PROVINCE IN WHICH THE SHOPPING CENTRE IS LOCATED. ALL ELECTRICAL DRAWINGS AND SPECIFICATIONS (INCLUDING LIFE SAFETY AND FIRE SAFETY) SHALL BE STAMPED BY AN ELECTRICIAN QUALIFIED TO PRACTICE IN THE PROVINCE IN WHICH THE SHOPPING CENTRE IS LOCATED. ANY CHANGES TO THE PLANS AND SPECIFICATIONS THAT HAVE BEEN APPROVED BY THE LANDLORD SHALL BE STAMPED BY AN ARCHITECT OR ENGINEER QUALIFIED TO PRACTICE IN THE PROVINCE IN WHICH THE SHOPPING CENTRE IS LOCATED AND SHALL ALSO BE SUBJECT TO THE PRIOR WRITTEN APPROVAL OF THE LANDLORD. ANY INCREASE IN THE COST OF COMPLETING THE LANDLORD'S WORK RESULTING FROM CHANGES REQUESTED BY THE TENANT SHALL BE TO THE ACCOUNT OF THE TENANT AND THE LANDLORD SHALL BE REIMBURSED FOR SAME IMMEDIATELY UPON PRESENTATION OF AN INVOICE IN RESPECT THEREOF.

Schedule D: Vacant Civic Portfolio

Vacant Civic Assets (as at March 1, 2025)		
Address	**~Sq. Ft.**	**Status**
266 Graham Ave. (Former Canada Post Tower)	140,000	Mostly Vacant
510 Main St. (Former Grace Café)	4,200	Vacant
457 Main St .	11,000	Floors 8 & 9 Vacant
1910 Portage Ave.	7,072	Basement Vacant
1121 Wabasha St. (former Roland Michener Arena)	33,280	Vacant
Total SF Vacant	**195,552**	

Civic Assets in Transition (as at March 1, 2025)		
Address	**~Sq. Ft.**	**Status**
1350 Pembina Hwy (Former WPS Station)	13,500	EOI pending
5014 Roblin Blvd.	3,400	Marketing pending
1520 Corydon Ave. (Former River Hts Library)	7,400	Marketing pending
260 Hartford Ave. (Former North District Police Stn)	10,500	Marketing pending
864 Marion St. (former WFPS Station 9)	7,200	Awaiting Move out/To be Marketed
5006 Roblin Blvd	10,065	The Charleswood Historical Society currently occupies the space under an overholding lease.
Total SF in transition	**52,065**	