Agenda - Executive Policy Committee - November 17, 2004

Report - Standing Policy Committee on Property and Development - November 2, 2004

Item No. 15 Lease of 165 Evanson Street from the Manitoba Housing and Renewal Corporation for Parks and Open Space Purposes
File FI-2.3(32)

STANDING COMMITTEE RECOMMENDATION:

On November 2, 2004, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submits the following to Council:

1. That a Lease Agreement with the Manitoba Housing and Renewal Corporation for the use of 165 Evanson Street, shown outlined on Misc. Plan No. 12334, be approved in accordance with the terms and conditions contained in the report from the Director of Planning, Property and Development dated August 27, 2004.

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

Agenda - Executive Policy Committee - November 17, 2004

Report - Standing Policy Committee on Property and Development - November 2, 2004

DECISION MAKING HISTORY:

STANDING COMIMTTEE RECOMMENDATION:

On November 2, 2004, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Re: Proposed Lease of 165 Evanson Street from the Manitoba Housing and Renewal Corporation for Parks and Open Space Purposes
City Centre Community
Daniel McIntyre Ward

For submission to: **Standing Policy Committee on Property and Development**

Original report signed by: **Director of Planning, Property and Development**

Report date: August 27, 2004

Recommendation(s):

1. That the proposed terms and conditions of a Lease Agreement with the Manitoba Housing and Renewal Corporation for the use of 165 Evanson Street shown outlined on Misc. Plan No. 12334, attached, be approved in accordance with the terms contained herein.

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

REPORT SUMMARY

Key Issues:

The Lease Agreement with the Manitoba Housing and Renewal Corporation (MHRC) for the use of 165 Evanson Street shown outlined on Misc. Plan No. 12334 expired on March 31, 1982, and has not been formally renewed.

The Public Works Department is planning to undertake a major upgrade of the subject Evanson Street Tot Lot in the fall of 2004.

The Planning and Land Use Division and the Parks and Open Space Division of the Public Works Department support the proposal to enter into a new Lease Agreement with MHRC for the continued use of the subject property.

Implications of the Recommendation(s):

General implications:

	None
	For the organization overall and/or for other departments
X	**For the community and/or organizations external to the City of Winnipeg**
	Involves a multi-year contract

Comment(s):
The local neighbourhood wishes to retain the subject site as a Tot Lot and the

community stakeholders have been involved with the plans to redevelop the site in the fall of 2004.

Policy implications:

X	**No**
	Yes

Comment(s):

Environmental implications:

X	**No**
	Yes

Comment(s):

Human resources implications:

X	**No**
	Yes

Comment(s):

Financial implications:

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment(s):

REASON FOR THE REPORT:

The Planning, Property and Development Department is, by this report, seeking the approval of the Standing Policy Committee on Property and Development of the terms and conditions of the proposed 27 year lease of lands located at 165 Evanson Street, from the Manitoba Housing and Renewal Corporation.

HISTORY:

By agreement dated December 14, 1979, the City has leased the property shown outlined on Misc. Plan No. 12334, attached, from the Manitoba Housing and Renewal Corporation (MHRC) for use and development of a Tot Lot.

The particulars of the original Lease Agreement are as follows:

Term: Five (5) year term which expired on March 31, 1982.
Rental: $1.00 per annum, plus realty taxes.
Insurance: City indemnification clause. The City is self-insuring.

Cancellation: Upon written notice by either party.
Special Conditions: City was responsible to develop a tot lot at a cost $3,075.00; to maintain the lands in good repair and in a clean and attractive appearance; all of the improvements were to remain the property of the City and shall have the right to remove improvements placed on said lands at expiry of agreement

The Manitoba Housing and Renewal Corporation was not required to pay grants in lieu of taxes relating to or arising out of the City's use and development of the subject property.
During the period from 1979 to the present date, the City has utilized the leased property for Tot Lot purposes.

DISCUSSION:

In the spring of 2004, the Planning and Land Use Division advised that the subject property was to be refurbished and requested the Real Estate Division to negotiate new terms and conditions of lease with the MHRC for the continued use of the subject property.

The proposed refurbishment to the subject property includes the replacement of existing playground equipment, site furnishings and vegetation. The project budget is estimated at $56,000.00, and will be funded by the Building Communities Initiatives.

By letter dated July 7, 2004, the MHRC advised the Planning, Property and Development Department that it would be prepared to enter into a new lease agreement.

In reviewing this file, it has been determined that the original lease agreement expired and no annual renewals were completed. As such, it is necessary to construct a new lease agreement, which also incorporates the City's use of the land from the expiry date of the original agreement to the present time. As such, the proposed term for a new agreement will include the elapsed period from April 1, 1982, to the present time plus an additional time period of (5) five-years.

During the term of the original lease agreement and up until the present time, the MHRC has paid the annual realty taxes applicable to the subject property located at 165 Evanson Street. The original Lease Agreement dated December 14, 1979, provided that the City would be responsible for the payment of realty taxes, and as such, MHRC has requested that it be reimbursed for the amount of paid realty taxes. It is estimated that such amount will not exceed $2,000.00 (2004 realty taxes are $79.56). The MHRC will provide the Department with a statement identifying the final amount.

Briefly, the negotiated proposed terms and conditions of lease, which the MHRC have verbally agreed to, are as follows:

Term: 27 year term, commencing on April 1, 1982 and expiring on March 31, 2009.
Rental: $1.00 per annum, plus an amount equivalent to realty taxes.
Insurance: City indemnification clause. The City is self-insuring.
Cancellation: 90 days by either party.

Special Conditions: City to undertake redevelopment of the Tot Lot; maintain the lands in good repair and in a clean and attractive appearance; all improvements to remain the property of the City and the City shall have the right to remove improvements placed on said lands at expiry of agreement.

The Public Works Department (Parks and Open Space Division) is agreeable to assuming the ongoing maintenance costs for this Tot Lot. In addition, the Planning and Land Use Division and the Parks and Open Space Division have indicated that it is amenable to paying for the costs associated for the accrued and future realty taxes.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Planning and Land Use Division
Parks and Open Space Division - Public Works Department
This report submitted by:

Planning, Property and Development Department
Division: Real Estate
Prepared by: D. Armstrong
PPD File #: 5842

Document name: o:\reports directive\real estate\leasing\(da) 165 evanson street.doc

Financial Impact Statement

Date: August 25, 2004

Project Name:

Proposed Lease of 165 Evanson Street from MHRC for Parks and Open Spaces Purposes

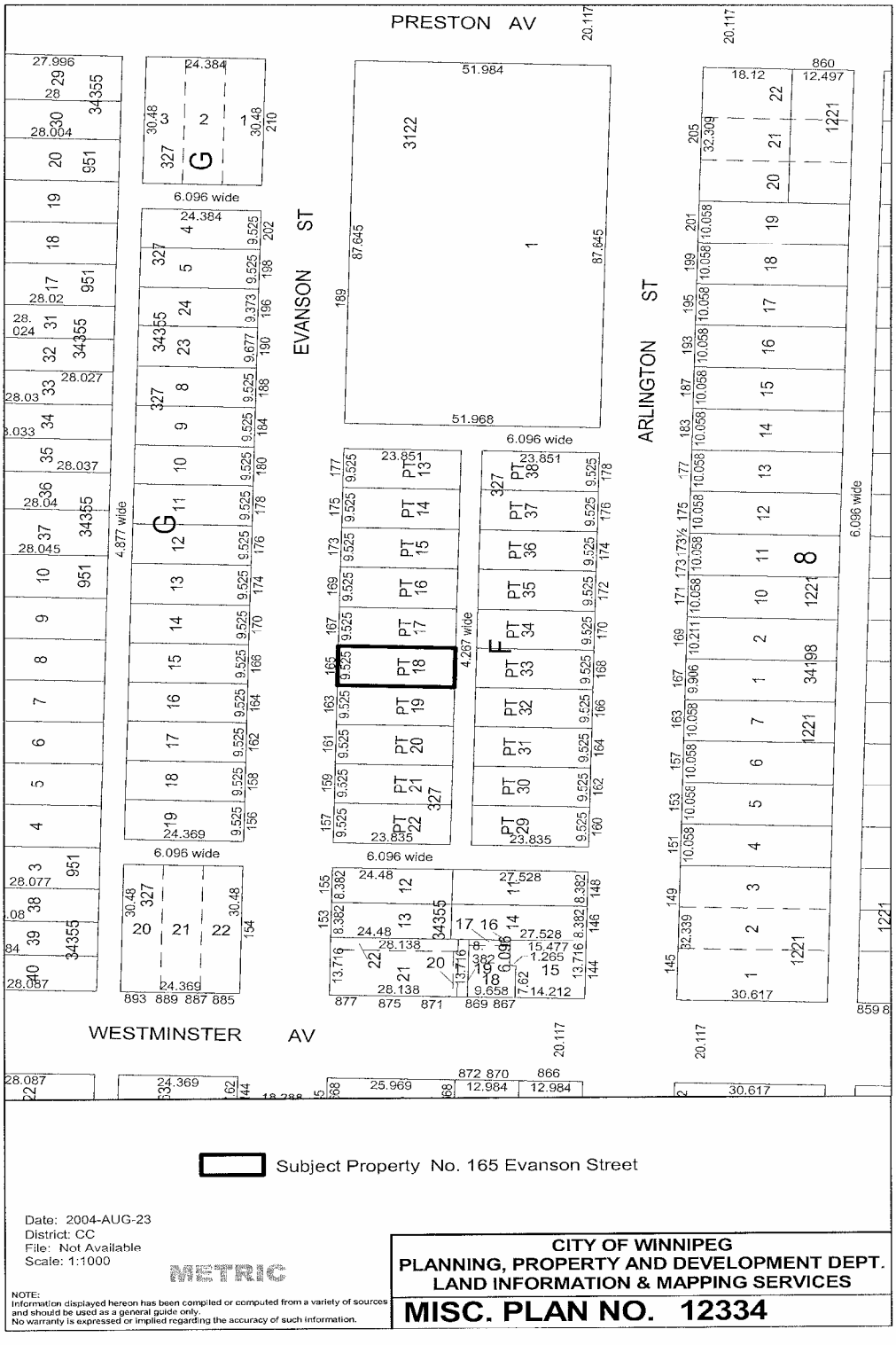
First Year of Program 2004

	2004	2005	2006	2007	2008
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 2,065	$ 260	$ 260	$ 260	$ 260
Less: Incremental Revenue/Recovery	66	261	261	261	261
Net Cost/(Benefit)	$ 1,999	$ (1)	$ (1)	$ (1)	$ (1)
Less: Existing Budget Amounts	2,000	-	-	-	-
Net Budget Adjustment Required	$ (1)	$ (1)	$ (1)	$ (1)	$ (1)

Additional Comments:

The direct costs in 2004 consist of $65 in 2004 roll year taxes and the estimated $2,000 in tax payments to be refunded to MHRC, the latter of which is budgeted in 2004. The 2004 taxes were calculated based on an assessed value of $19,500, a portioning rate of 45%, a municipal mill rate of 0.029686, and was prorated from October 1, 2004. The direct costs in 2005 - 2008 represent realty taxes for the full year to be absorbed by the City calculated using the same assumptions. The net effect in each year is the nominal rental revenue amount of $1.

"Original signed by"
Mike McGinn, CA
Manager of Finance


PRESTON AV
EVANSON ST
ARLINGTON ST
WESTMINSTER AV
6.096 wide
4.877 wide
4.267 wide
Subject Property No. 165 Evanson Street
Date: 2004-AUG-23
District: CC
File: Not Available
Scale: 1:1000
METRIC
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.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12334