

Lease Renewal – Western Development Museum

ISSUE

The 50-year Lease Agreement between the City of Saskatoon (City) and the Western Development Museum (WDM) Board for the 16.9 acres of City-owned land expires on March 31, 2021. The WDM Board has notified the City that they are interested in renewing the Lease Agreement for a further term of 50 years.

RECOMMENDATION

1. That the Lease Agreement with the Western Development Museum Board be renewed for a further term of 50 years at an annual lease rate of \$1.00 per year; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

BACKGROUND

At the February 22, 1988 meeting of City Council, the terms of the lease for 16.38 acres of City-owned land (ISC Parcel No. 135635597) to the WDM Board were finalized and approved. The agreement commenced retroactively starting April 1, 1971, for a term of 50 years, expiring on March 31, 2021, with an annual lease rate of \$1.00 per year. As per the terms of the agreement, the WDM Board was responsible for all operations and maintenance of the land and buildings at their cost, and were also provided with an option to renew for an additional 50 years at a mutually agreed-upon rent. In consideration of the City leasing the land to the WDM Board, the WDM Board conveyed title of the 4.296-acre site of the former WDM Museum on 11th Street West to the City.

On October 31, 1988, the City entered into an agreement with the WDM Board to purchase approximately 1.87 acres of land on Melville Street to relocate the electrical substation, then located on 0.52 acres of City-owned land adjacent to the WDM leased land. Upon relocation of the substation, the City agreed to amend the Lease Agreement to include this 0.52-acre parcel (ISC Parcel No. 119935187), expanding the leased area from 16.38 acres to a total of 16.90 acres as shown in Appendix 1.

DISCUSSION/ANALYSIS

By way of a letter to His Worship the Mayor, dated November 20, 2019, the WDM Board has expressed their desire to renew the Lease Agreement for a further term of 50 years (Appendix 2). The WDM Board also requested that the City continue to lease the land at \$1.00 rent per year, highlighting the many benefits the WDM provides.

The WDM is a nationally recognized museum that offers programs and services that focus on enhancing the quality of life for Saskatoon residents. In addition to educational and cultural benefits, the WDM also benefits the local economy and employs nearly one hundred people. Support of the WDM with an extended lease at \$1 per year is

consistent with the goals and outcomes identified in both the City's Culture Plan and the Saskatoon Heritage Plan.

WDM Boards also operate museums in Yorkton, Moose Jaw, and North Battleford. These museums have similar lease arrangements with the local municipality or provincial government. In Yorkton and Moose Jaw, the museums are situated on municipally-owned land with an annual lease rate of \$1.00. In North Battleford, the museum is located on Crown lands with an annual lease rate of \$1.00.

The Administration recognizes the educational and cultural importance of the WDM, and the overall public benefit. The Administration supports renewal of the agreement on the same terms as previous, excepting any further right of renewal. Should the City and WDM Board desire to extend the lease upon the expiration of the renewal term, negotiations would be had at that time.

The Administration has also made inquiries regarding the intended use of Parcel A, which was added to the leased land area in 1988 and not formally used or improved after the electrical substation infrastructure was removed. Discussions with the WDM representatives on the future use of this parcel area are ongoing.

FINANCIAL IMPLICATIONS

If approved, the City would continue to receive a lease amount of \$1.00 per year, and the WDM Board would continue to be responsible for all costs associated with operation and maintenance of the land and any buildings located on the land.

OTHER IMPLICATIONS

There are no privacy, legal, social, or environmental implications identified.

NEXT STEPS

If approved, the City Solicitor will prepare the lease renewal agreement.

PUBLIC NOTICE

Public notice is required for consideration of this matter, pursuant to Section 3(i) of Council Policy No. C01-021, Public Notice Policy. The following notice (Appendix 3) was given:

- Posted on the City's website on May 8, 2020; and
- Advertised in the Saskatoon StarPhoenix on May 9 and 11, 2020.

APPENDICES

1. Aerial Map Showing Leased Area
2. Letter from WDM Board to Mayor Clark – November 20, 2019
3. Copy of Public Notice – WDM Lease

REPORT APPROVAL

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