

Request for Lease of 145 1st Avenue North to Saskatoon Tribal Council for an Emergency Residential Shelter

ISSUE

Administration has been approached by community groups expressing an interest in providing a temporary emergency shelter during the cold weather for those in need. Having identified key considerations, an active search has now resulted in an identified City of Saskatoon (City) owned property.

RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That the City enter a Lease with Saskatoon Tribal Council for approximately 9,850 square feet of floor space at 145 1st Avenue North, ISC Parcel No. 120164206, for the purpose of providing a temporary emergency residential shelter, based on the terms outlined in this report; and
2. That the City Solicitor be requested to prepare the appropriate agreements and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

BACKGROUND

At the November 22, 2021 public hearing meeting of City Council, City Council approved amendments to Bylaw No. 8770, Zoning Bylaw, 2009 (Zoning Bylaw), establishing regulations for temporary emergency residential shelters. Through collaboration, many within the community have been involved in a property search for a temporary shelter that will be operated by the Saskatoon Tribal Council (STC). Private developers, commercial realtors, faith-based organizations, community-based organizations, and numerous City Administration have participated in an extensive search for a potential location. Properties viewed have been commercial, industrial, churches, and vacant lots with mobile/temporary building models.

In terms of commercial and/or industrial properties, the market is active and property owners are hesitant to sign a temporary lease. Faith-based organizations were consulted but it was determined this use will not currently work or is not an appropriate fit for their facilities. Despite a comprehensive search, no specific locations to date have proven to be appropriate, which creates concern given the onset of winter and the need to provide shelter to vulnerable people in the community during the cold weather.

Request for Lease of 145 1st Avenue North to Saskatoon Tribal Council for an Emergency Residential Shelter

In the past weeks, a renewed focus from Administration and STC has identified a civic-owned property at 145 1st Avenue North (Appendix 1), that may be suitable for use. The property has been toured by Saskatoon Fire Department, Building Standards, Saskatoon Real Estate, and STC. Preliminary investigations suggest this property is appropriate for a temporary emergency residential shelter. Administration has conducted walk throughs to evaluate options to lease the property, determine life and fire safety requirements, and review building regulations.

The proposed space within the building is currently vacant and is planned to be used to relocate and centralize City staff that are currently located in four privately owned leased buildings throughout the City. Relocation of these work groups was expected to take place throughout the 2022 calendar year. The north single-story portion of the building is currently under a long-term lease agreement with the Commissionaires (security guard services) which commenced on April 1, 2021.

DISCUSSION/ANALYSIS

STC's vision for a temporary emergency residential shelter is to provide a temporary wellness center for people who are unsheltered, offering wrap-around services for individuals and relatives seeking shelter. A priority for this shelter is safety and security for the residents and relatives, safety for staff of the shelter, and safety for the surrounding properties. Some of these services will include:

- assistance intakes;
- Indigenous Elders;
- COVID-19 testing;
- regular wellness checks during the day;
- Public Health supports;
- food services;
- laundry services;
- sleeping accommodations; and
- connection to assistance programs and housing.

Discussions between Administration and STC regarding the temporary use of the space have begun and an Offer to Lease a portion of 145 1st Avenue North until April 30, 2022 has been drafted. Notable terms of the Offer to Lease include:

- Lease Location -145 1st Avenue North – Floor Space- 9,850 square feet;
- Lease Term - Approximately 4 months December 21, 2021 – April 30, 2022;
- Non-market nominal rent for the space of \$10.00 per month; and
- Tenant responsible for occupancy costs (utilities, etc.) for the space, estimated to be \$11.00 PSF per annum and payable in advanced monthly instalments of \$9,029.00 per month.
- City Responsibilities:

Request for Lease of 145 1st Avenue North to Saskatoon Tribal Council for an Emergency Residential Shelter

- ensure the building mechanical, electrical, fire alarm, and plumbing systems are in good working condition. Modifications of the fire alarm system in the building to accommodate the Class C residential occupancy (installation of hard-wired smoke detectors); and
- secure and restrict access to all critical mechanical areas within the space.
- **Tenant Responsibilities:**
 - Obtain all required permits from regulatory agencies for use of the space as a temporary emergency residential shelter, (ie. development, building, occupancy, and plumbing permits);
 - Installation of interior and exterior security cameras;
 - Any minor modifications within the building required for use of the space. All improvements or modifications must be reviewed and approved by the City before taking place. Space to be returned to original condition upon termination or expiry of the lease;
 - Maintain minimum \$5M general liability insurance for the space during the term of occupancy; and
 - Ensure 24-hour supervision and security of the space.
- Tenant or City may terminate the lease by providing 14 days written notice.
- **Conditions Precedent:**
 - Tenant obtaining necessary funding to occupy and operate the space over the term;
 - Approval of the Lease at a rate less than fair market value by City Council;
 - Issuance of a development and occupancy permit to the tenant for a temporary emergency shelter at 145 1st Avenue North; and
 - Signing of a formal Lease Agreement by both parties prior to occupancy.

Due to the proposed lease rate for the space being below market value, public notice under Bylaw 8171 – Public Notice Policy Bylaw, 2003 has been provided (Appendix 2).

Administration has also notified adjacent property owners and the Downtown Business Improvement District (DTNYXE) Executive Director, of the potential lease of the City building and advised that the matter would be considered by the Standing Policy Committee on Planning Development and Community Services on December 7, 2021. Given the short timeline to consider use of this space, limited engagement and public consultation for the use of this space has occurred.

FINANCIAL IMPLICATIONS

To accommodate a shelter use, the fire alarm system in the building would require upgrades and minor modifications to secure access within the space is needed. These costs are estimated at \$12,000 and would be borne by the City.

Utilizing 145 – 1st Avenue North for a temporary emergency residential shelter will postpone the relocation of City staff into the building from externally leased spaces.

Request for Lease of 145 1st Avenue North to Saskatoon Tribal Council for an Emergency Residential Shelter

The monthly lease cost incurred to remain in these existing spaces is \$11,400.00. Leasing the space for a temporary emergency residential shelter will delay the moves by these work groups for up to six months resulting in a financial impact to the City of \$68,400.00.

The total cost implications to the City for the temporary use of the building are estimated to be \$80,400. The funding model for 145 1st Avenue North included allocating \$213,500 of the parking, internal and external lease revenue to annual repayments of the Property Realized Reserve which was originally used for the purchase.

These additional expenditures are proposed to be paid for by reducing the repayment amount in 2022 by \$80,400. This will essentially increase the repayment period to the Property Realized Reserve by 6 months to a year.

OTHER IMPLICATIONS

There are no privacy, legal or environmental implications identified. The social implications to supporting such a use are noted above.

NEXT STEPS

Pending review of the request to lease at less than fair market value by the Standing Policy Committee on Planning Development and Community Services, the lease will be considered by City Council at its meeting scheduled for December 20, 2021. Should the request to lease be approved, the City Solicitor will prepare a formal Lease agreement with the STC for use of the space. Occupancy and development permits will also be required to formalize the use at this location.

APPENDICES

1. Building Location Plan
2. Public Notice Advertisement

Report Approval

Written by: Morgan Hackl, Fire Chief, Saskatoon Fire Department
Frank Long, Director, Saskatoon Land

Reviewed by: Lynne Lacroix, General Manager, Community Services
Clae Hack, Chief Financial Officer
Lesley Anderson, Director of Planning and Development

Approved by: Jeff Jorgenson, City Manger

Admin Report - Request for Lease of 145 1st Avenue North to Saskatoon Tribal Council for an Emergency Residential Shelter.docx