

Saskatoon Tribal Council Wellness Centre Lease Extension Request- 145 1st Ave North

ISSUE

The Standing Policy Committee on Planning, Development and Community Services received a request from the Saskatoon Tribal Council (STC) at their April 12, 2022 meeting to extend the lease of the Emergency Wellness Centre located at 145 1st Avenue North for up to one additional year from May 1, 2022 to April 30, 2023.

RECOMMENDATION

1. That City Council approve an extension to the existing lease with Saskatoon Tribal Council for approximately 18,400 square feet of floor space at 145 1st Avenue North, ISC Parcel No. 120164206, to April 30th, 2023 for the purpose of providing a temporary Emergency Residential Shelter; 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

The STC's Emergency Wellness Centre (Wellness Centre) is located in a City-owned building at 145 1st Avenue North and was approved as a temporary Emergency Residential Shelter, under Bylaw No. 8770, Zoning Bylaw, 2009 (Zoning Bylaw). The Zoning Bylaw originally provided for a temporary Residential Emergency Shelter to be established for a period of no longer than 6 months within a 12-month period.

The 50-bed capacity, 9,850 square foot Wellness Centre was initially approved at a Special Meeting of City Council on December 9, 2021, with a lease term of December 21, 2021 to April 30, 2022.

At the January 31, 2022 meeting of City Council, authorization to add 8,550 square feet (20 additional beds) of 2nd floor space to the existing Lease with Saskatoon Tribal Council at 145 1st Avenue North was approved.

At the April 25, 2022 meeting of City Council, City Council approved the extension of the lease for the Wellness Centre to June 15, 2022.

At the May 24, 2022 meeting of City Council, Zoning Bylaw 8770 was amended to allow for Emergency Residential Shelters to be located at an approved location for a period of up to 18 months.

DISCUSSION/ANALYSIS

Lease Extension Considerations

The existing lease with STC for the Wellness Centre expires June 15, 2022. Administration is recommending the lease be extended to April 30, 2023 to allow for STC to continue the Wellness Centre operations at this location.

Under a lease extension, the terms of the lease would remain the same with notable terms being:

- Leased Premises – Unit 100 145 1st Avenue North – 18,400 square feet.
- Lease Term – June 16, 2022 to April 30, 2023.
- Non-market nominal rent for the space of \$10.00 per month.
- City responsible for occupancy costs (utilities, property taxes, etc.) for the space.
- Any modifications to the Premises require City approval.
- STC to maintain a minimum \$5M general liability insurance for the space.
- STC to ensure 24-hour supervision and security of the space.
- STC or City may terminate the lease by providing 14 days written notice.
- STC shall make reasonable effort to prevent any activities on the Premises which may cause or become a nuisance or cause damage to the owners or occupiers of neighbouring lands and buildings.
- STC to promptly clean and remove all waste from the Premises, in addition to prompt removal of any items and waste that may gather or collect on the sidewalks surrounding the Premises or the properties adjacent.
- STC to promptly repair, replace, and maintain the Premises in a condition that is satisfactory to the City. For greater clarity, exterior windows, exterior doors, and exterior building claddings are the responsibility of the Tenant to repair, replace and maintain should they become damaged.
- Space to be returned to original condition upon termination or expiry of the lease.

Response to Downtown Safety and Wellbeing

At its meeting on May 24, 2022, City Council considered a report from Saskatoon Fire on a [Community Response to Downtown Safety and Well-being](#). The report summarized ongoing collaborative effort between Administration, Police, STC and other downtown partners to address concerns with safety and cleanliness around the Wellness Centre property.

FINANCIAL IMPLICATIONS

Administration has estimated the monthly cost to extend the Wellness Centre use of the building is \$21,400 per month based on \$11,400 of City external lease costs being occurred elsewhere by departments that were initially planned to be relocated to the building and \$10,000 for utilities, maintenance, and other property expenses.

The total estimated costs incurred by the City to accommodate the use of the 145 1st Avenue North space for a Temporary Shelter from December 15, 2021 to June 15, 2022 is \$175,100. If the recommendations in this report to extend the lease until April 30, 2023 are approved, the City will incur an additional \$224,700 in estimated costs for total of \$399,800 over the entire lease term.

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 (PRR) which was originally used for the purchase. If an extension is approved, the repayment of PRR will continue to be deferred in order to offset the additional costs as much as possible. If costs exceed the available PRR repayment budget of \$213,500 this will be an unbudgeted spend within the operating budget and reported out along with other variances at year-end.

OTHER IMPLICATIONS

Public Notice for leasing the space for less than fair market value without a public offering was provided on Tuesday, November 30, 2021 and as such, further public notice for this purpose is not required.

NEXT STEPS

If approved, Administration would continue to work alongside STC and downtown partners to address any items that arise.

APPENDICES

1. STC Request for Extension to April 30, 2023
2. Location of Wellness Centre at 145 – 1st Avenue North
3. Previous Public Notice – November 30, 2021

REPORT APPROVAL

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